UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2021

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2021

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Independent Auditor's Report

Honorable Commissioner
Union County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of and for the year ended December 31, 2021, 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.

In our opinion, based on our audit and the report of the 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, 2021, and the respective changes in the financial position and the budgetary comparisons of the General Fund and American Rescue Plan Act Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Union County Health Department, a discretely presented component unit of Union County, Georgia, which represents 33.1% of the assets, 14.8% of the net position, and 76.4% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2021. 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Union County, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Union County, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, 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, LLC

Gainesville, Georgia
June 17, 2022

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Lamar Paris
Union County Commissioner
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Union County management is proud to present this narrative discussion and analysis of Union County's financial performance, making available an overview of the activities for the year ended December 31, 2021. 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, 2021 by $63,608,328 (*net position*). Of this amount, $7,034,573 is reported as unrestricted net position. This is an increase of $2,716,542 from the previous year for unrestricted. Total net position increased by $6,190,136 from the previous year.

- As of December 31, 2021, Union County's governmental funds reported combined ending fund balances of $12,581,866. Approximately 48% of this total amount, or $6,011,300, is reported as unassigned and available for spending at the County's discretion. Approximately 26%, or $3,219,701, 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 44.

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 activities*** – The County charges fees to customers to assist in recovering the cost for providing certain services. The County's Golf Course, Meeks Park, and Solid Waste 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, American Rescue Plan Act Special Revenue Fund, SPLOST IV Capital Projects 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 and American Rescue Plan Act Special Revenue 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 18-24 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, Meeks Park, and Solid Waste functions.

  The County's proprietary fund financial statements are presented on pages 25-27.

  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 28-29.

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 32-66 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 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current	$ 25,782,963	$ 20,974,596	$ 447,253	$ 182,610	$ 26,230,216	$ 21,157,206
Noncurrent	43,679,516	43,284,553	7,613,513	6,266,258	51,293,029	49,550,811
Total assets	69,462,479	64,259,149	8,060,766	6,448,868	77,523,245	70,708,017
Liabilities:						
Current	3,240,100	3,428,256	178,114	99,373	3,418,214	3,527,629
Noncurrent	353,858	530,670	0	0	353,858	530,670
Total liabilities	3,593,958	3,958,926	178,114	99,373	3,772,072	4,058,299
Deferred inflows of resources	10,142,845	9,231,526	0	0	10,142,845	9,231,526
Net position:						
Net investment in capital assets	43,285,514	41,377,247	7,613,513	6,266,258	50,899,027	47,643,505
Restricted	5,674,728	5,456,656	0	0	5,674,728	5,456,656
Unrestricted	6,765,434	4,234,794	269,139	83,237	7,034,573	4,318,031
Total net position	$ 55,725,676	$ 51,068,697	$ 7,882,652	$ 6,349,495	$ 63,608,328	$ 57,418,192

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 $63,608,328 at the close of 2021. Approximately 80% 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 a decrease from 83% at December 31, 2020. 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 9% 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 11%.

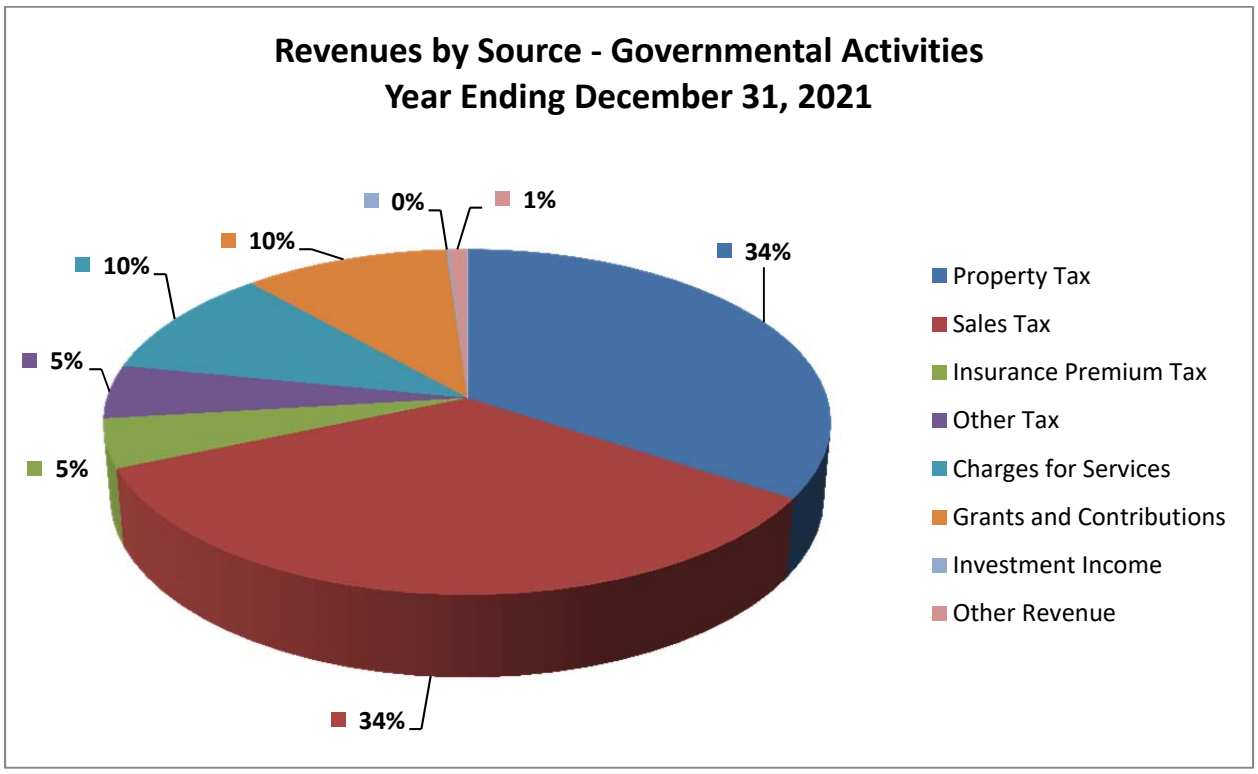
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2021 and 2020

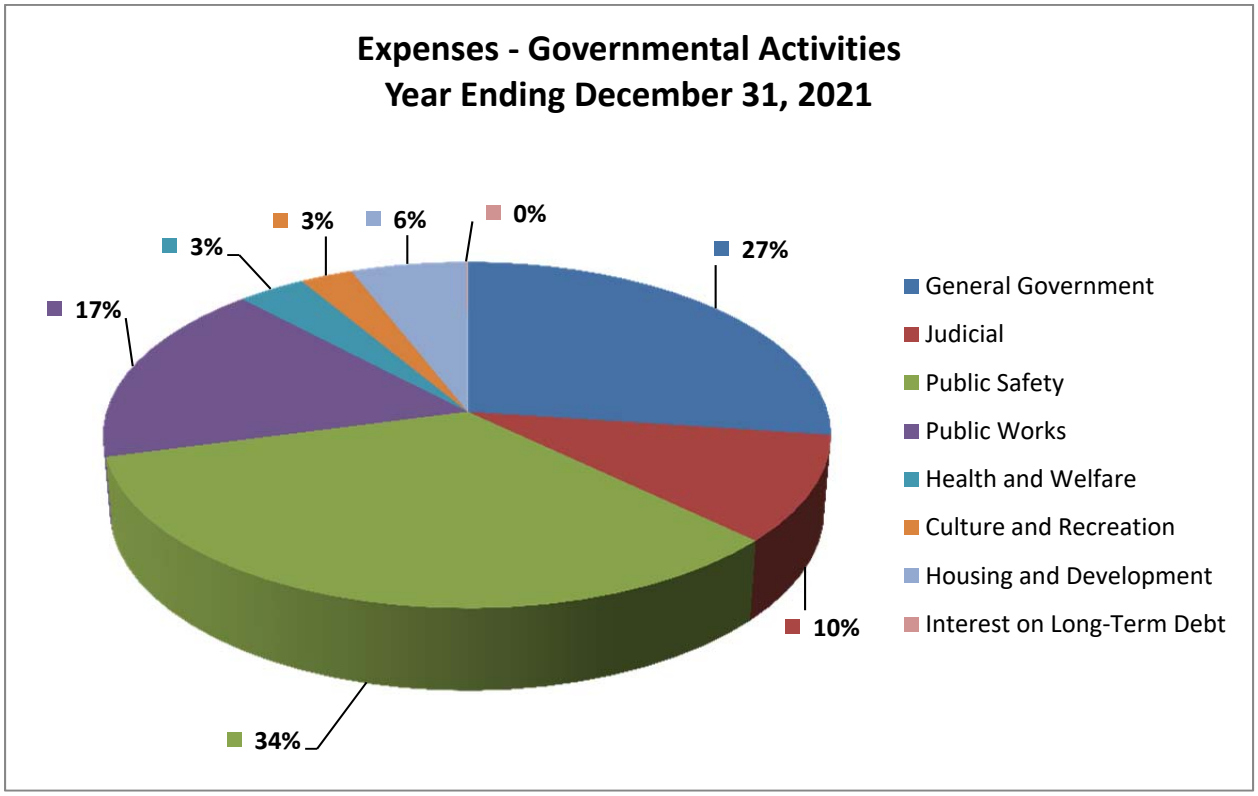
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	$ 3,592,888	$ 2,878,365	$ 1,467,189	$ 1,267,254	$ 5,060,077	$ 4,145,619
Operating grants and contributions	3,442,644	2,856,229	0	0	3,442,644	2,856,229
Capital grants and contributions	205,763	1,079,362	0	0	205,763	1,079,362
General revenues:						
Property tax	11,921,940	9,997,083	0	0	11,921,940	9,997,083
Sales tax	11,932,875	10,905,511	0	0	11,932,875	10,905,511
Insurance premium tax	1,579,741	1,519,963	0	0	1,579,741	1,519,963
Other taxes	1,744,410	1,328,939	0	0	1,744,410	1,328,939
Interest & investment earnings	47,296	26,742	0	0	47,296	26,742
Other revenue	328,357	277,608	136,178	116,616	464,535	394,224
Total revenues	34,795,914	30,869,802	1,603,367	1,383,870	36,399,281	32,253,672
Expenses						
General Government	7,090,952	6,248,168	0	0	7,090,952	6,248,168
Judicial	2,602,844	2,523,151	0	0	2,602,844	2,523,151
Public Safety	8,831,636	8,057,054	0	0	8,831,636	8,057,054
Public Works	4,469,143	3,468,495	0	0	4,469,143	3,468,495
Health and Welfare	902,890	771,361	0	0	902,890	771,361
Culture and Recreation	697,532	294,155	0	0	697,532	294,155
Housing and Development	1,525,597	1,645,367	0	0	1,525,597	1,645,367
Interest on long-term debt	20,645	45,999	0	0	20,645	45,999
Golf Course	0	0	1,393,398	1,621,491	1,393,398	1,621,491
Meeks Park	0	0	2,570,619	2,073,128	2,570,619	2,073,128
Solid Waste	0	0	103,889	0	103,889	-
Total expenses	26,141,239	23,053,750	4,067,906	3,694,619	30,209,145	26,748,369
Increase (decrease) in net position before transfers	8,654,675	7,816,052	(2,464,539)	(2,310,749)	6,190,136	5,505,303
Transfers	(3,997,696)	(2,657,731)	3,997,696	2,657,731	0	0
Increase (decrease) in net position	4,656,979	5,158,321	1,533,157	346,982	6,190,136	5,505,303
Net position - beginning	51,068,697	45,910,376	6,349,495	6,002,513	57,418,192	51,912,889
Net position - ending	$ 55,725,676	$ 51,068,697	$ 7,882,652	$ 6,349,495	$ 63,608,328	$ 57,418,192

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 $511,490 and transfers in of $3,486,206, the decrease in net position was $2,464,539. Total change in net position was an increase of $1,533,157, or 24%.

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 $12,581,866. Of this amount, $6,011,300 (48%) 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 $6,473,222. Unassigned fund balance represents approximately 93% 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 30% of total General Fund expenditures, while total fund balance represents approximately 32% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $2,148,898, or approximately 50%. The County increased unassigned fund balance in the General Fund by $2,115,259, or 54%. This increase similar to the increase in the prior year. Total revenues and total expenditures increased in the current year. was caused predominantly by increased revenues. Taxes were up substantially and intergovernmental revenues were down. Public safety expenditures increased substantially due to Sheriff capital outlay and public works expenditures increased substantially due to personal services. Proceeds from sale of capital assets increased substantially due to vehicle trades.

For the current year, the American Rescue Plan Act Special Revenue Fund did not report significant fund balance. This new fund will account for significant revenues and expenditures for the American Rescue Plan funding.

At the end of the current year, the SPLOST IV Capital Projects Fund had total fund balance of $318,441, of which $307,644 is restricted for capital outlay. Fund balance of the SPLOST IV Capital Projects Fund decreased $2,724,660 during the current year. The cause for the decrease in fund balance was continued

spending on capital projects and the end of receipts of SPLOST revenues from the referendum.

At the end of the current year, the SPLOST V Capital Projects Fund had total fund balance of $3,674,591, of which $2,912,057 is restricted for capital outlay. Fund balance of the SPLOST V Capital Projects Fund increased $3,759,761 during the current year. The cause for the increase in fund balance was receipts of SPLOST V revenues from the current referendum at a faster pace than continued spending on capital projects.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the year. Budgeted revenues and other financing sources in total increased $1,238,606 and expenditures and other financing uses in total increased $1,238,606 from original to final budgets. The County experienced an increase in revenues from the prior fiscal year, but experienced a more signifcant 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 proprietary funds totaled as follows:

- Golf Course $ 2,813,292
- Meeks Park $ 4,541,385
- Solid Waste $ 527,975

The Golf Course Fund had an increase in net position of $365,496. Operating loss totaled $462,005. The Meeks Park Fund had an increase in net position $639,686. Operating loss totaled $1,976,177. The Solid Waste Fund had an increase in net position $527,975. Operating loss totaled $32,515.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $51,293,029 in capital assets (net of accumulated depreciation) compared to $49,550,811 in the previous year. This represents an increase of 3.5%. Approximately 85% 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 below.

Union County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	$ 6,956,583	$ 6,247,105	$ 2,657,801	$ 2,562,675	$ 9,614,384	$ 8,809,780
Construction in progress	1,034,864	1,001,218	0	0	1,034,864	1,001,218
Land improvements	0	0	1,527,039	1,461,401	1,527,039	1,461,401
Buildings and improvements	36,950,940	37,131,399	4,987,863	3,621,172	41,938,803	40,752,571
Machinery and equipment	5,609,979	5,695,958	2,429,826	2,062,021	8,039,805	7,757,979
Vehicles	6,838,923	6,251,911	231,711	102,856	7,070,634	6,354,767
Infrastructure	21,799,153	21,799,153	0	0	21,799,153	21,799,153
Total	79,190,442	78,126,744	11,834,240	9,810,125	91,024,682	87,936,869
Accumulated depreciation	(35,510,926)	(34,842,191)	(4,220,727)	(3,543,867)	(39,731,653)	(38,386,058)
Net Capital Assets	$ 43,679,516	$ 43,284,553	$ 7,613,513	$ 6,266,258	$ 51,293,029	$ 49,550,811

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
- Purchase of equipment for the transfer station

Additional information on Union County's capital assets can be found in Note 9 on pages 52-55 of this report.

Debt/Capital Leases. On December 31, 2021, Union County had a total debt balance outstanding for governmental activities in the amount of $75,080, as compared to $1,688,320 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,613,240 due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Notes 12 and 13 on pages 58-59 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 2022 and 2023. 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 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 21,825,293	$ 762,165	$ 22,587,458	$ 1,634,658
Restricted cash and cash equivalents	117	0	117	0
Accounts receivable (net)	59,244	13,226	72,470	122,981
Intergovernmental receivables	1,124,767	0	1,124,767	0
Taxes receivable (net)	2,311,620	0	2,311,620	0
Prepaid items	71,849	0	71,849	0
Inventories	31,721	30,214	61,935	0
Internal balances	358,352	(358,352)	0	0
Total current assets	25,782,963	447,253	26,230,216	1,757,639
Noncurrent assets				
Land held for resale	0	0	0	1,631,211
Capital assets				
Non-depreciable	7,991,447	2,657,801	10,649,248	0
Depreciable (net)	35,688,069	4,955,712	40,643,781	183,117
Total noncurrent assets	43,679,516	7,613,513	51,293,029	1,814,328
Total assets	69,462,479	8,060,766	77,523,245	3,571,967
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	0	0	91,360
Deferred outflows of resources - OPEB	0	0	0	68,605
Total deferred outflows of resources	0	0	0	159,965
LIABILITIES				
Current liabilities				
Accounts payable	818,445	106,949	925,394	11,908
Retainages payable	18,552	0	18,552	0
Accrued salaries and payroll liabilities	326,351	24,911	351,262	8,704
Accrued expenses	0	13,668	13,668	0
Unearned revenue	1,339,799	0	1,339,799	0
Compensated absences	188,040	32,586	220,626	31,600
Capital leases payable	30,469	0	30,469	0
Landfill post-closure care costs	33,535	0	33,535	0
Other current liabilities	484,909	0	484,909	0
Total current liabilities	3,240,100	178,114	3,418,214	52,212
Noncurrent liabilities				
Compensated absences	0	0	0	38,818
Proportionate share of net pension liability	0	0	0	583,603
Proportionate share of net OPEB liability	0	0	0	114,006
Capital leases payable	44,611	0	44,611	0
Landfilll post-closure care costs	309,247	0	309,247	0
Total noncurrent liabilities	353,858	0	353,858	736,427
Total liabilities	3,593,958	178,114	3,772,072	788,639

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	$ 0	$ 0	$ 0	$ 151,593
Property taxes levied for subsequent year	10,142,845	0	10,142,845	0
Total deferred inflows of resources	10,142,845	0	10,142,845	151,593
NET POSITION				
Net investment in capital assets	43,285,514	7,613,513	50,899,027	183,117
Restricted for:				
Law library operations	73,455	0	73,455	0
Judicial activities	943,120	0	943,120	0
Public safety activities	664,802	0	664,802	0
LMIG projects	773,331	0	773,331	0
Health and welfare activities	0	0	0	84,027
Grant specifications	202	0	202	0
Capital outlay	3,219,701	0	3,219,701	0
Debt service	117	0	117	0
Unrestricted	6,765,434	269,139	7,034,573	2,524,556
Total net position	$ 55,725,676	$ 7,882,652	$ 63,608,328	$ 2,791,700

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2021

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	$ 7,090,952	$ 664,161	$ 0	$ 43,519	$ (6,383,272)
Judicial	2,602,844	119,747	1,063,672	0	(1,419,425)
Public Safety	8,831,636	2,207,031	1,302,643	12,872	(5,309,090)
Public Works	4,469,143	581,085	1,051,824	6,872	(2,829,362)
Health and Welfare	902,890	20,864	0	0	(882,026)
Culture and Recreation	697,532	0	0	0	(697,532)
Housing and Development	1,525,597	0	24,505	142,500	(1,358,592)
Interest on long-term debt	20,645	0	0	0	(20,645)
Total governmental activities	26,141,239	3,592,888	3,442,644	205,763	(18,899,944)
Business-type activities					
Golf Course	1,393,398	925,734	0	0	(467,664)
Meeks Park	2,570,619	470,081	0	0	(2,100,538)
Solid Waste	103,889	71,374	0	0	(32,515)
Total business-type activities	4,067,906	1,467,189	0	0	(2,600,717)
Total primary government	30,209,145	5,060,077	3,442,644	205,763	(21,500,661)
Component Units					
Union County Health Department					
Health and Welfare	884,793	436,436	547,636	0	99,279
Development Authority of Union County					
Housing and Development	336,114	20,000	0	0	(316,114)
Total component units	1,220,907	456,436	547,636	0	(216,835)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (18,899,944)	$ (2,600,717)	$ (21,500,661)	$ (216,835)
General revenues				
Taxes				
Property	11,921,940	0	11,921,940	0
Sales	11,932,875	0	11,932,875	0
Insurance premium	1,579,741	0	1,579,741	0
Other	1,744,410	0	1,744,410	0
Interest and investment earnings	47,296	0	47,296	622
Payments from Union County	0	0	0	287,738
Gain on sale of land held for resale	0	0	0	149,675
Gain on sale of capital assets	171,835	6,158	177,993	0
Other	156,522	130,020	286,542	0
Transfers	(3,997,696)	3,997,696	0	0
Total general revenues and transfers	23,556,923	4,133,874	27,690,797	438,035
Change in net position	4,656,979	1,533,157	6,190,136	221,200
Net position - beginning	51,068,697	6,349,495	57,418,192	2,570,500
Net position - ending	$ 55,725,676	$ 7,882,652	$ 63,608,328	$ 2,791,700

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General	American Rescue Plan Act	SPLOST IV	SPLOST V	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and cash equivalents	$ 15,601,011	$ 1,550,262	$ 321,698	$ 2,457,648	$ 1,894,674	$ 21,825,293
Restricted cash and cash equivalents	0	0	0	0	117	117
Receivables (net)						
Accounts	11,844	0	0	0	47,400	59,244
Intergovernmental	108,956	0	0	762,534	253,277	1,124,767
Taxes	1,561,862	0	0	620,199	129,559	2,311,620
Due from other funds	95,224	0	0	0	0	95,224
Prepaid items	71,849	0	0	0	0	71,849
Inventories	31,721	0	0	0	0	31,721
Advances to other funds	358,352	0	0	0	0	358,352
Total assets	$ 17,840,819	$ 1,550,262	$ 321,698	$ 3,840,381	$ 2,325,027	$ 25,878,187
LIABILITIES						
Accounts payable	$ 351,150	$ 119,862	$ 3,257	$ 165,790	$ 178,386	$ 818,445
Retainages payable	0	18,552	0	0	0	18,552
Accrued salaries and payroll liabilities	318,497	0	0	0	7,854	326,351
Due to other funds	0	71,847	0	0	23,377	95,224
Unearned revenue	0	1,339,799	0	0	0	1,339,799
Other liabilities	484,909	0	0	0	0	484,909
Total liabilities	1,154,556	1,550,060	3,257	165,790	209,617	3,083,280
DEFERRED INFLOWS OF RESOURCES						
Property taxes levied for subsequent year	10,142,845	0	0	0	0	10,142,845
Unavailable revenue - property taxes	70,196	0	0	0	0	70,196
Total deferred inflows of resources	10,213,041	0	0	0	0	10,213,041
FUND BALANCES						
Nonspendable:						
Prepaid items	71,849	0	0	0	0	71,849
Inventories	31,721	0	0	0	0	31,721
Advances to other funds	358,352	0	0	0	0	358,352
Restricted for:						
Law library operations	0	0	0	0	73,455	73,455
Judicial activities	0	0	0	0	943,120	943,120
Public safety activities	0	0	0	0	664,802	664,802
LMIG projects	0	0	10,797	762,534	0	773,331
Grant specifications	0	202	0	0	0	202
Capital outlay	0	0	307,644	2,912,057	0	3,219,701
Debt service	0	0	0	0	117	117
Assigned for:						
Emergency 911 system operations	0	0	0	0	19,610	19,610
Tourism	0	0	0	0	414,306	414,306
Unassigned	6,011,300	0	0	0	0	6,011,300
Total fund balances	6,473,222	202	318,441	3,674,591	2,115,410	12,581,866
Total liabilities, deferred inflows of resouces, and fund balances	$ 17,840,819	$ 1,550,262	$ 321,698	$ 3,840,381	$ 2,325,027	$ 25,878,187

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, 2021

Total fund balance - total governmental funds		$ 12,581,866
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		43,679,516
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		70,196
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Compensated absences	$ (188,040)	
Capital leases payable	(75,080)	
Landfill post-closure care costs	(342,782)	(605,902)
Net position of governmental activities		$ 55,725,676

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2021

	General	American Rescue Plan Act	SPLOST IV	SPLOST V	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	$ 19,844,187	$ 0	$ 1,459,527	$ 5,169,068	$ 715,030	$ 27,187,812
Licenses and permits	535,623	0	0	0	0	535,623
Fines, fees and forfeitures	768,738	0	0	0	345,171	1,113,909
Charges for services	794,057	0	0	0	666,818	1,460,875
Intergovernmental	606,025	1,040,688	216,000	762,534	1,302,333	3,927,580
Interest	46,763	202	1,068	278	589	48,900
Contributions	179,194	0	5,269	0	8,437	192,900
Other	156,272	0	0	0	250	156,522
Total revenues	22,930,859	1,040,890	1,681,864	5,931,880	3,038,628	34,624,121
EXPENDITURES						
Current						
General Government	6,284,416	152,021	0	0	0	6,436,437
Judicial	1,393,588	0	0	0	1,227,235	2,620,823
Public Safety	8,260,876	44,346	0	0	971,426	9,276,648
Public Works	2,019,919	0	0	0	0	2,019,919
Health and Welfare	829,530	412,006	0	0	0	1,241,536
Culture and Recreation	312,681	0	0	0	32,525	345,206
Housing and Development	895,119	0	0	0	527,882	1,423,001
Capital outlay	0	0	2,667,846	1,537,860	0	4,205,706
Debt service	11,068	0	79,125	0	1,442,184	1,532,377
Intergovernmental	0	0	154,799	382,853	0	537,652
Total expenditures	20,007,197	608,373	2,901,770	1,920,713	4,201,252	29,639,305
Excess (deficiency) of revenues over (under) expenditures	2,923,662	432,517	(1,219,906)	4,011,167	(1,162,624)	4,984,816
Other financing sources (uses)						
Transfers in	484,266	0	33,183	0	675,344	1,192,793
Transfers out	(2,398,890)	(432,315)	(1,537,937)	(257,906)	(51,951)	(4,678,999)
Sale of capital assets	1,139,860	0	0	6,500	9,500	1,155,860
Total other financing sources (uses)	(774,764)	(432,315)	(1,504,754)	(251,406)	632,893	(2,330,346)
Net change in fund balances	2,148,898	202	(2,724,660)	3,759,761	(529,731)	2,654,470
Fund balances, January 1	4,324,324	0	3,043,101	(85,170)	2,645,141	9,927,396
Fund balances, December 31	$ 6,473,222	$ 202	$ 318,441	$ 3,674,591	$ 2,115,410	$ 12,581,866

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, 2021

Net change in fund balances - total governmental funds			$ 2,654,470
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	$ 4,085,537		
Depreciation	(2,195,059)		1,890,478
In the statement of activities, gains and losses on the sale of capital assets are reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$ (2,429,825)		
Related accumulated depreciation	1,445,800		(984,025)
Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmental funds because they do not require the use of current financial resources.			
Cost of assets distributed to business-type activities	$ (592,014)		
Related accumulated depreciation	80,524		(511,490)
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	$ 1,613,240		
Net change in interest payable	2,014		1,615,254
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.			(8,850)
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	$ (32,393)		
Landfill post-closure care costs	33,535		1,142
Change in net position of governmental activities			$ 4,656,979

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 17,652,057	$ 19,490,663	$ 19,844,187	$ 353,524
Licenses and permits	405,500	405,500	535,623	130,123
Fines, fees and forfeitures	455,000	455,000	768,738	313,738
Charges for services	681,050	681,050	794,057	113,007
Intergovernmental	600,673	600,673	606,025	5,352
Interest	86,500	86,500	46,763	(39,737)
Contibutions	41,000	41,000	179,194	138,194
Other	76,500	76,500	156,272	79,772
Total revenues	19,998,280	21,836,886	22,930,859	1,093,973
EXPENDITURES				
Current				
General Government				
Executive	481,828	487,000	486,836	164
Elections	160,607	186,000	185,854	146
General administration	1,120,610	1,253,000	1,252,943	57
Financial administration	209,528	209,528	205,000	4,528
Tax commissioner	373,649	391,000	390,329	671
Tax assessor	432,856	455,000	454,944	56
Risk management	310,000	2,910,000	2,909,595	405
General government buildings	329,140	399,140	398,915	225
Judicial				
Judicial administration	5,200	5,200	3,322	1,878
Superior court	99,000	99,000	57,508	41,492
Drug court	28,000	28,000	8,843	19,157
Clerk of superior court	313,729	321,000	320,985	15
District attorney	165,084	167,000	166,113	887
Magistrate court	223,410	223,410	220,929	2,481
Probate court	280,398	290,200	290,111	89
Juvenile court	220,000	220,000	124,518	95,482
Grand jury	1,200	1,200	0	1,200
Public defender	130,000	153,000	152,527	473
Community service	50,672	50,672	48,732	1,940
Public Safety				
Sheriff	3,866,229	4,097,000	4,096,357	643
Jail operations	1,966,007	1,966,007	1,956,306	9,701
School resource officer	7,000	7,000	5,011	1,989
Courthouse security	319,827	341,000	340,345	655
Fire and emergency management	1,314,325	1,559,000	1,558,181	819
Fire stations and buildings	94,000	94,000	84,160	9,840
Coroner	33,840	33,840	32,665	1,175
Animal control	225,810	225,810	187,851	37,959
Public Works				
Highways and streets	1,370,087	1,685,000	1,684,942	58
Solid waste	44,320	50,000	49,379	621
Public education	15,000	15,000	4,206	10,794
Maintenance and shop	205,953	282,000	281,392	608

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public health administration	$ 308,686	$ 308,686	$ 300,154	$ 8,532
Health department	1,000	1,000	13	987
Ambulance contract	310,000	310,000	188,338	121,662
Intergovernmental welfare	20,000	23,000	22,920	80
Senior citizens	176,224	176,224	148,771	27,453
Community center	64,410	64,410	54,185	10,225
Transportation services	150,587	150,587	115,149	35,438
Culture and Recreation				
Participant recreation	34,300	34,300	31,369	2,931
Meeks Park	25,000	25,000	0	25,000
Library admission	285,900	285,900	281,312	4,588
Housing and Development				
Conservation	53,367	61,000	60,656	344
Agricultural	36,379	36,379	31,615	4,764
Building inspection	331,186	388,000	387,216	784
Planning and zoning	189,773	189,773	188,867	906
Economic development	227,500	227,500	226,765	735
Debt service				
Principal	0	11,000	10,835	165
Interest	0	300	233	67
Total expenditures	16,611,621	20,498,066	20,007,197	490,869
Excess (deficiency) of revenues over expenditures	3,386,659	1,338,820	2,923,662	1,584,842
Other financing sources (uses)				
Transfers in	(39,500)	(39,500)	484,266	523,766
Transfers out	(5,047,159)	(2,399,320)	(2,398,890)	430
Contingency	(50,000)	(50,000)	0	50,000
Sale of capital assets	1,750,000	1,150,000	1,139,860	(10,140)
Total other financing sources (uses)	(3,386,659)	(1,338,820)	(774,764)	564,056
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	2,148,898	2,148,898
Fund balance, January 1	0	0	4,324,324	4,324,324
Fund balance, December 31	$ 0	$ 0	$ 6,473,222	$ 6,473,222

UNION COUNTY, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 0	$ 1,046,000	$ 1,040,688	$ (5,312)
Interest	0	0	202	202
Total revenues	0	1,046,000	1,040,890	(5,110)
EXPENDITURES				
Current				
General Government	0	153,000	152,021	979
Public Safety	0	45,000	44,346	654
Health and Welfare	0	413,000	412,006	994
Total expenditures	0	611,000	608,373	2,627
Excess (deficiency) of revenues over expenditures	0	435,000	432,517	(2,483)
Other financing sources (uses)				
Transfers out	0	(435,000)	(432,315)	2,685
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	202	202
Fund balance, January 1	0	0	0	0
Fund balance, December 31	$ 0	$ 0	$ 202	$ 202

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 341,316	$ 374,232	$ 46,617	$ 762,165
Accounts receivable (net)	0	473	12,753	13,226
Inventories	29,436	778	0	30,214
Total current assets	370,752	375,483	59,370	805,605
Noncurrent assets				
Capital assets				
Non-depreciable	1,817,524	745,152	95,125	2,657,801
Depreciable (net)	1,037,705	3,485,343	432,664	4,955,712
Total noncurrent assets	2,855,229	4,230,495	527,789	7,613,513
Total assets	3,225,981	4,605,978	587,159	8,419,118
LIABILITIES				
Current liabilities				
Accounts payable	29,413	22,603	54,933	106,949
Accrued expenses	4,805	8,863	0	13,668
Accrued salaries and payroll liabilities	6,296	15,409	3,206	24,911
Compensated absences	13,823	17,718	1,045	32,586
Total current liabilities	54,337	64,593	59,184	178,114
Noncurrent liabilities				
Advances from other funds	358,352	0	0	358,352
Total liabilities	412,689	64,593	59,184	536,466
NET POSITION				
Investment in capital assets	2,855,229	4,230,495	527,789	7,613,513
Unrestricted	(41,937)	310,890	186	269,139
Total net position	$ 2,813,292	$ 4,541,385	$ 527,975	$ 7,882,652

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, 2021

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
OPERATING REVENUES				
Charges for sales and services	$ 925,734	$ 470,081	$ 71,374	$ 1,467,189
Other	5,659	124,361	0	130,020
Total operating revenues	931,393	594,442	71,374	1,597,209
OPERATING EXPENSES				
Costs of sales and services	671,563	964,936	55,004	1,691,503
Personal services	507,338	1,233,716	37,652	1,778,706
Depreciation	214,497	371,967	11,233	597,697
Total operating expenses	1,393,398	2,570,619	103,889	4,067,906
Operating income (loss)	(462,005)	(1,976,177)	(32,515)	(2,470,697)
Non-operating revenues (expenses)				
Gain (loss) on sale of capital assets	0	6,158	0	6,158
Net income (loss) before capital contributions and transfers	(462,005)	(1,970,019)	(32,515)	(2,464,539)
Capital contributions				
Contributions of capital assets from governmental activities	31,100	134,048	346,342	511,490
Net income (loss) before transfers	(430,905)	(1,835,971)	313,827	(1,953,049)
Transfers in (out)				
Transfers in	796,401	2,475,657	214,148	3,486,206
Change in net position	365,496	639,686	527,975	1,533,157
Net position, January 1	2,447,796	3,901,699	0	6,349,495
Net position, December 31	$ 2,813,292	$ 4,541,385	$ 527,975	$ 7,882,652

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2021

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
Cash flows from operating activities:				
Receipts from customers	$ 925,734	$ 470,081	$ 58,621	$ 1,454,436
Payments to suppliers	(678,477)	(949,412)	(71)	(1,627,960)
Payments to employees	(504,196)	(1,229,308)	(33,401)	(1,766,905)
Other receipts	5,659	124,361	0	130,020
Net cash provided (used) by operating activities	(251,280)	(1,584,278)	25,149	(1,810,409)
Cash flows from non-capital financing activities:				
Receipts from other funds	422,889	1,720,672	21,468	2,165,029
Cash flows from capital and related financing activities:				
Receipts from other funds	373,512	754,985	192,680	1,321,177
Proceeds from sales of capital assets	0	36,150	0	36,150
Payments for acquisitions of capital assets	(399,197)	(871,577)	(192,680)	(1,463,454)
Net cash provided (used) by capital and related financing activities	(25,685)	(80,442)	0	(106,127)
Net increase (decrease) in cash and cash equivalents	145,924	55,952	46,617	248,493
Cash and cash equivalents, January 1	195,392	318,280	0	513,672
Cash and cash equivalents, December 31	$ 341,316	$ 374,232	$ 46,617	$ 762,165
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (462,005)	$ (1,976,177)	$ (32,515)	$ (2,470,697)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	214,497	371,967	11,233	597,697
(Increase) decrease in accounts receivable	0	0	(12,753)	(12,753)
(Increase) decrease in inventories	(4,001)	604	0	(3,397)
Increase (decrease) in accounts payable	(4,168)	14,232	54,933	64,997
Increase (decrease) in accrued salaries and payroll liabilities	1,119	4,051	3,206	8,376
Increase (decrease) in accrued expenses	1,255	688	0	1,943
Increase (decrease) in compensated absences	2,023	357	1,045	3,425
Total adjustments	210,725	391,899	57,664	660,288
Net cash provided (used) by operating activities	$ (251,280)	$ (1,584,278)	$ 25,149	$ (1,810,409)

Noncash investing, capital, and financing activities:
Contributions of capital assets from governmental activities totaled $592,014, with related accumulated depreciation of $80,524.

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 1,498,675
Taxes receivable, net	1,571,217
Total assets	3,069,892
LIABILITIES	
Due to others	2,814,139
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 255,753

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2021

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 22,734,061
Court fees collected for other agencies	1,212,620
Court individual cases	1,162,627
Sheriff fees collected	158,883
Sheriff inmate account deposits	99,955
Total additions	25,368,146
DEDUCTIONS	
Taxes distributed to other agencies	22,683,843
Court fees distributed to other agencies	1,212,620
Payments to others	3,166,555
Sheriff fees distributed to other agencies	158,883
Payments from inmates to others	97,956
Total deductions	27,319,857
Change in net position	(1,951,711)
Net position - beginning	2,207,464
Net position - ending	$ 255,753

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2021

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 573,902	$ 1,060,756	$ 1,634,658
Accounts receivable (net)	0	122,981	122,981
Total current assets	573,902	1,183,737	1,757,639
Noncurrent assets			
Land held for resale	1,631,211	0	1,631,211
Depreciable capital assets (net)	183,117	0	183,117
Total noncurrent assets	1,814,328	0	1,814,328
Total assets	2,388,230	1,183,737	3,571,967
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	91,360	91,360
Deferred outflows of resources - OPEB	0	68,605	68,605
Total deferred outflows of resources	0	159,965	159,965
LIABILITIES			
Current liabilities			
Accounts payable	0	11,908	11,908
Accrued salaries and payroll liabilities	8,704	0	8,704
Compensated absences	0	31,600	31,600
Total current liabilities	8,704	43,508	52,212
Noncurrent liabilities			
Compensated absences	0	38,818	38,818
Proportionate share of net pension liability	0	583,603	583,603
Proportionate share of net OPEB liability	0	114,006	114,006
Total noncurrent liabilities	0	736,427	736,427
Total liabilities	8,704	779,935	788,639
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - OPEB	0	151,593	151,593
NET POSITION			
Investment in capital assets	183,117	0	183,117
Restricted for health and welfare activities	0	84,027	84,027
Unrestricted	2,196,409	328,147	2,524,556
Total net position	$ 2,379,526	$ 412,174	$ 2,791,700

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2021

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 884,793	$ 884,793
Housing and Development	336,114	0	336,114
Total expenses	336,114	884,793	1,220,907
Program revenues			
Charges for services	20,000	436,436	456,436
Operating grants and contributions	0	547,636	547,636
Total program revenues	20,000	984,072	1,004,072
Net (expense) revenue	(316,114)	99,279	(216,835)
General revenues			
Interest	622	0	622
Payments from Union County	170,226	117,512	287,738
Gain on sale of land held for resale	149,675	0	149,675
Total general revenues	320,523	117,512	438,035
Change in net position	4,409	216,791	221,200
Net position - beginning	2,375,117	195,383	2,570,500
Net position - ending	$ 2,379,526	$ 412,174	$ 2,791,700

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.

American Rescue Plan Act Fund - This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery 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.

Special Purpose Local Option Sales Tax V (SPLOST V) Capital Projects Fund - This fund is used to account for the revenues and expenditures relating to the County's 2021 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.

Solid Waste Enterprise Fund - This fund is used to account for the solid waste disposal activities for the residents of the County.

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.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types, continued

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).

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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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.

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.

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

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.

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 46 days. As of the end of the current year, the County's balance in Georgia Fund 1 was $8,488,571.

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		$ 11,844
Enterprise Funds		
Meeks Park		473
Solid Waste		12,753
Nonmajor Funds		
Special Revenue Funds		
Emergency 911	$ 44,927	
Local Victims Assistance	2,473	47,400
Total primary government		$ 72,470
Component Units:		
Union County Health Department		$ 122,981

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 108,956
SPLOST V Capital Projects Fund		762,534
Nonmajor Funds		
Special Revenue Funds		
Drug Abuse	$ 208,370	
Multiple Grant	44,907	253,277
Total primary government		$ 1,124,767

6. Property Taxes

Property taxes for the 2021 digest were levied on September 8, 2021 and billed on September 22, 2021, with property values assessed as of January 1, 2021. Bills are payable on or before December 20, 2021, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2021 are for fiscal year 2022. Amounts recorded as a receivable and amounts collected as of December 31, 2021 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	American Rescue Plan Act	$ 71,847
	Golf Course	358,352
	Nonmajor Governmental	23,377
		$ 453,576

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	$ 33,183
	Golf Course	422,889
	Meeks Park	1,720,672
	Solid Waste	21,468
	Nonmajor Governmental	200,678
American Rescue Plan Act	General Fund	432,315
SPLOST IV	Golf Course	373,512
	Meeks Park	689,759
	Nonmajor Governmental	474,666
SPLOST V	Meeks Park	65,226
	Solid Waste	192,680
Nonmajor Governmental	General Fund	51,951
		4,678,999
Transfers of capital assets		
Governmental activities	Golf Course	31,100
	Meeks Park	134,048
	Solid Waste	346,342
		$ 5,190,489

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	$ 6,247,105	$ 804,603	$ (95,125)	$ 6,956,583
Construction in progress	1,001,218	844,127	(810,481)	1,034,864
Total nondepreciable assets	7,248,323	1,648,730	(905,606)	7,991,447
Depreciable assets				
Buildings and improvements	37,131,399	509,023	(689,482)	36,950,940
Infrastructure	21,799,153	0	0	21,799,153
Machinery and equipment	5,577,409	478,253	(548,053)	5,507,609
Vehicles	6,251,911	2,093,414	(1,506,402)	6,838,923
Equipment	118,549	0	(16,179)	102,370
Total depreciable assets	70,878,421	3,080,690	(2,760,116)	71,198,995
Less accumulated depreciation				
Buildings and improvements	(10,993,356)	(877,797)	318,820	(11,552,333)
Infrastructure	(15,991,210)	(476,994)	0	(16,468,204)
Machinery and equipment	(3,541,540)	(242,764)	526,626	(3,257,678)
Vehicles	(4,198,739)	(596,951)	664,699	(4,130,991)
Equipment	(117,346)	(553)	16,179	(101,720)
Total accumulated depreciation	(34,842,191)	(2,195,059)	1,526,324	(35,510,926)
Total depreciable assets, net	36,036,230	885,631	(1,233,792)	35,688,069
Governmental activities capital assets, net	$ 43,284,553	$ 2,534,361	$ (2,139,398)	$ 43,679,516

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $643,883, projects abandoned in the amount of $1,450, and projects transferred to the business-type activities in the amount of $165,148.

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	$ 2,562,675	$ 95,126	$ 0	$ 2,657,801
Construction in progress	0	643,883	(643,883)	0
Total nondepreciable assets	2,562,675	739,009	(643,883)	2,657,801
Depreciable assets				
Land improvements	1,461,401	65,638	0	1,527,039
Buildings and improvements	3,621,172	1,366,691	0	4,987,863
Machinery and equipment	2,062,021	367,805	0	2,429,826
Vehicles	102,856	160,208	(31,353)	231,711
Total depreciable assets	7,247,450	1,960,342	(31,353)	9,176,439
Less accumulated depreciation				
Land improvements	(451,948)	(88,844)	0	(540,792)
Buildings and improvements	(1,795,781)	(266,274)	0	(2,062,055)
Machinery and equipment	(1,226,034)	(306,266)	0	(1,532,300)
Vehicles	(70,104)	(16,837)	1,361	(85,580)
Total accumulated depreciation	(3,543,867)	(678,221)	1,361	(4,220,727)
Total depreciable assets, net	3,703,583	1,282,121	(29,992)	4,955,712
Business-type activities capital assets, net	$ 6,266,258	$ 2,021,130	$ (673,875)	$ 7,613,513

Increases in construction in progress for the business-type activities consist of projects transferred from the governmental activities in the amount of $643,883. Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of $643,883.

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	(11,755)	(5,128)	0	(16,883)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(15,976)	(5,128)	0	(21,104)
Development Authority of Union County capital assets, net	$ 188,245	$ (5,128)	$ 0	$ 183,117
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	$ 638,012
Judicial	1,667
Public Safety	714,695
Public Works	649,215
Health and Welfare	53,544
Culture and Recreation	124,990
Housing and Development	12,936
Total depreciation expense for governmental activities	$ 2,195,059
Business-type activities	
Golf Course	$ 214,497
Meeks Park	371,967
Solid Waste	11,233
Total depreciation expense for business-type activities	$ 597,697
Component units	
Development Authority of Union County	$ 5,128

	Governmental Activities	Business-type Activities
Current year depreciation expense	$ 2,195,059	$ 597,697
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component units	0	80,524
Additions to accumulated depreciation	$ 2,195,059	$ 678,221

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 $75,080 for governmental activities.

As of the end of the current year, the County had $150,053 of machinery and equipment financed under the capital leases in the governmental activities. Depreciation expense on the leased assets for the current year totaled $12,504 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
2022	$ 32,138
2023	32,138
2024	13,391
	77,667
Less amounts representing interest	(2,587)
Present value of minimum lease payments	$ 75,080

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 $18,642 for the current year.

11. Operating Lease Agreements (continued)

Governmental Activities, continued

The future minimum lease payments are as follows:

Year Ending December 31,		
2022	$	10,295
2023		5,177
2024		1,132
Totals	$	16,604

Business-type Activities

The County leases golf equipment under non-cancelable operating leases. Costs for such leases totaled $99,212 for the current year. The future minimum lease payments are as follows:

Year Ending December 31,		
2022	$	99,212
2023		99,212
2024		24,802
Totals	$	223,226

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,		
2022	$	6,156
2023		1,026
Totals	$	7,182

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 remaining principal balance was paid in full in the current year.

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. The note bears interest at a rate of 2.76%. The remaining principal balance was paid in full in the current year.

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	$ 245,681	$ 0	$ 170,601	$ 75,080	$ 30,469
Notes from direct borrowings	12,639	0	12,639	0	0
Bonds from direct placements	1,430,000	0	1,430,000	0	0
Landfill post-closure care costs	376,317	0	33,535	342,782	33,535
Compensated absences	155,647	188,040	155,647	188,040	188,040
Total governmental activities	$ 2,220,284	$ 188,040	$ 1,802,422	$ 605,902	$ 252,044
Business-type activities					
Compensated absences	$ 29,161	$ 32,586	$ 29,161	$ 32,586	$ 32,586
Component Units					
Union County Health Department					
Compensated absences	$ 60,992	$ 40,986	$ 31,560	$ 70,418	$ 31,600

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 $20,645 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 2 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $342,782 over the 2-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	$ 79,190,442	$ 11,834,240
Accumulated depreciation	(35,510,926)	(4,220,727)
Book value	43,679,516	7,613,513
Capital-related accounts payable	(300,370)	0
Capital-related retainages payable	(18,552)	0
Capital leases payable	(75,080)	0
Net investment in capital assets	$ 43,285,514	$ 7,613,513

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 142 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 $511,046 and the employees contributed $405,256 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, 2021, the Department contributed $49,478. As of June 30, 2021, the Department reported a liability in the amount of $583,603 for its proportionate share (0.013846%) of the net pension liability. The Department recognized pension expense of $49,478 for the fiscal year ended June 30, 2021. 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, 2021, the Health Department contributed $19,176. As of June 30, 2021, the Health Department reported a net liability in the amount of $114,006 for its proportionate share (0.012795% for the State of Georgia OPEB Fund and 0.010559% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of ($76,504) for the fiscal year ended June 30, 2021. 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	$715,030	
Disbursements for trade and tourism	$527,882	74% of tax receipts

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current year, the County paid $27,777 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
2021	$ 617,922	$ 2,338,873	$ 2,471,886	$ 484,909
2020	552,724	2,212,335	2,147,137	617,922
2019	537,486	2,442,465	2,427,227	552,724

20. Risk Management (continued)

General Liability and Workers' Compensation

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

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

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

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

21. Commitments and Contingencies

Commitments

As of the end of the current year, contractual commitments on uncompleted contracts totaled $752,984.

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.

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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.

COMBINING STATEMENTS

Nonmajor Governmental Funds

UNION COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue											Debt Service	
	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	Total Nonmajor Governmental Funds
ASSETS													
Cash and cash equivalents	$ 73,455	$ 195,389	$ 11,931	$ 0	$ 28,009	$ 442,091	$ 15,391	$ 791,543	$ 17,117	$ 0	$ 319,748	$ 0	$ 1,894,674
Restricted cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0	117	117
Receivables													
Accounts	0	0	0	44,927	2,473	0	0	0	0	0	0	0	47,400
Intergovernmental	0	0	0	0	0	0	0	208,370	0	44,907	0	0	253,277
Taxes	0	0	0	0	0	0	0	0	0	0	129,559	0	129,559
Total assets	$ 73,455	$ 195,389	$ 11,931	$ 44,927	$ 30,482	$ 442,091	$ 15,391	$ 999,913	$ 17,117	$ 44,907	$ 449,307	$ 117	$ 2,325,027
LIABILITIES AND FUND BALANCES													
Liabilities													
Accounts payable	$ 0	$ 0	$ 0	$ 17,463	$ 1,005	$ 0	$ 0	$ 103,387	$ 0	$ 21,530	$ 35,001	$ 0	$ 178,386
Accrued salaries	0	0	0	7,854	0	0	0	0	0	0	0	0	7,854
Due to other funds	0	0	0	0	0	0	0	0	0	23,377	0	0	23,377
Total liabilities	0	0	0	25,317	1,005	0	0	103,387	0	44,907	35,001	0	209,617
Fund balances													
Restricted for:													
Law library operations	73,455	0	0	0	0	0	0	0	0	0	0	0	73,455
Judicial activities	0	0	0	0	29,477	0	0	896,526	17,117	0	0	0	943,120
Public safety activities	0	195,389	11,931	0	0	442,091	15,391	0	0	0	0	0	664,802
Debt service	0	0	0	0	0	0	0	0	0	0	0	117	117
Assigned for:													
Emergency 911 system operations	0	0	0	19,610	0	0	0	0	0	0	0	0	19,610
Tourism	0	0	0	0	0	0	0	0	0	0	414,306	0	414,306
Total fund balances	73,455	195,389	11,931	19,610	29,477	442,091	15,391	896,526	17,117	0	414,306	117	2,115,410
Total liabilities and fund balances	$ 73,455	$ 195,389	$ 11,931	$ 44,927	$ 30,482	$ 442,091	$ 15,391	$ 999,913	$ 17,117	$ 44,907	$ 449,307	$ 117	$ 2,325,027

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2021

	Special Revenue											Debt Service	
	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	Total Nonmajor Governmental Funds
REVENUES													
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 715,030	$ 0	$ 715,030
Fines, fees and forfeitures	17,854	233,515	0	0	25,428	42,452	0	25,922	0	0	0	0	345,171
Charges for services	0	0	0	538,076	0	0	10,671	118,071	0	0	0	0	666,818
Intergovernmental	0	0	0	0	0	0	0	1,063,673	0	238,660	0	0	1,302,333
Interest	65	0	0	0	0	208	0	49	9	0	0	258	589
Contributions	0	0	8,437	0	0	0	0	0	0	0	0	0	8,437
Other	250	0	0	0	0	0	0	0	0	0	0	0	250
Total revenues	18,169	233,515	8,437	538,076	25,428	42,660	10,671	1,207,715	9	238,660	715,030	258	3,038,628
EXPENDITURES													
Current													
Judicial	5,850	0	0	0	19,816	0	0	1,201,564	5	0	0	0	1,227,235
Public Safety	0	93,670	0	723,572	0	0	0	0	0	154,184	0	0	971,426
Culture and Recreation	0	0	0	0	0	0	0	0	0	32,525	0	0	32,525
Housing and Development	0	0	0	0	0	0	0	0	0	0	527,882	0	527,882
Debt service	0	0	0	0	0	0	0	0	0	0	0	1,442,184	1,442,184
Total expenditures	5,850	93,670	0	723,572	19,816	0	0	1,201,564	5	186,709	527,882	1,442,184	4,201,252
Excess (deficiency) of revenues over (under) expenditures	12,319	139,845	8,437	(185,496)	5,612	42,660	10,671	6,151	4	51,951	187,148	(1,441,926)	(1,162,624)
Other financing sources (uses)													
Transfers in	0	0	0	200,678	0	0	0	0	0	0	0	474,666	675,344
Transfers out	0	0	0	0	0	0	0	0	0	(51,951)	0	0	(51,951)
Sale of capital assets	0	9,500	0	0	0	0	0	0	0	0	0	0	9,500
Total other financing sources (uses)	0	9,500	0	200,678	0	0	0	0	0	(51,951)	0	474,666	632,893
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	12,319	149,345	8,437	15,182	5,612	42,660	10,671	6,151	4	0	187,148	(967,260)	(529,731)
Fund balances, January 1	61,136	46,044	3,494	4,428	23,865	399,431	4,720	890,375	17,113	0	227,158	967,377	2,645,141
Fund balances, December 31	$ 73,455	$ 195,389	$ 11,931	$ 19,610	$ 29,477	$ 442,091	$ 15,391	$ 896,526	$ 17,117	$ 0	$ 414,306	$ 117	$ 2,115,410

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 10,900	$ 17,854	$ 6,954
Interest	100	65	(35)
Other	0	250	250
Total revenues	11,000	18,169	7,169
EXPENDITURES			
Current			
Judicial			
Contract services	4,000	0	4,000
Materials and supplies	7,000	5,850	1,150
Total expenditures	11,000	5,850	5,150
Excess (deficiency) of revenues over (under) expenditures	0	12,319	12,319
Fund balance, January 1	0	61,136	61,136
Fund balance, December 31	$ 0	$ 73,455	$ 73,455

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 74,000	$ 233,515	$ 159,515
Interest	50	0	(50)
Total revenues	74,050	233,515	159,465
EXPENDITURES			
Current			
Public Safety			
Contract services	50	0	50
Materials and supplies	12,100	17,363	(5,263)
Capital outlay	65,000	73,064	(8,064)
Payments to others	16,900	3,243	13,657
Total expenditures	94,050	93,670	380
Excess (deficiency) of revenues over (under) expenditures	(20,000)	139,845	159,845
Other financing sources (uses)			
Sale of capital assets	20,000	9,500	(10,500)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	149,345	149,345
Fund balance, January 1	0	46,044	46,044
Fund balance, December 31	$ 0	$ 195,389	$ 195,389

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 0	$ 8,437	$ 8,437
Total revenues	0	8,437	8,437
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	0	0	0
Total expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	8,437	8,437
Fund balance, January 1	0	3,494	3,494
Fund balance, December 31	$ 0	$ 11,931	$ 11,931

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 510,798	$ 538,076	$ 27,278
Total revenues	510,798	538,076	27,278
EXPENDITURES			
Current			
Public Safety			
Personal services	582,048	573,655	8,393
Contract services	127,750	123,329	4,421
Materials and supplies	14,500	26,588	(12,088)
Total expenditures	724,298	723,572	726
Excess (deficiency) of revenues over (under) expenditures	(213,500)	(185,496)	28,004
Other financing sources (uses)			
Transfers in (out)			
General Fund	213,500	200,678	(12,822)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	15,182	15,182
Fund balance, January 1	0	4,428	4,428
Fund balance, December 31	$ 0	$ 19,610	$ 19,610

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 20,000	$ 25,428	$ 5,428
Total revenues	20,000	25,428	5,428
EXPENDITURES			
Current			
Judicial			
Payments to others	20,000	19,816	184
Total expenditures	20,000	19,816	184
Excess (deficiency) of revenues over (under) expenditures	0	5,612	5,612
Fund balance, January 1	0	23,865	23,865
Fund balance, December 31	$ 0	$ 29,477	$ 29,477

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 20,800	$ 42,452	$ 21,652
Interest	200	208	8
Total revenues	21,000	42,660	21,660
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	21,000	0	21,000
Total expenditures	21,000	0	21,000
Excess (deficiency) of revenues over (under) expenditures	0	42,660	42,660
Fund balance, January 1	0	399,431	399,431
Fund balance, December 31	$ 0	$ 442,091	$ 442,091

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 18,000	$ 10,671	$ (7,329)
Total revenues	18,000	10,671	(7,329)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	18,000	0	18,000
Total expenditures	18,000	0	18,000
Excess (deficiency) of revenues over (under) expenditures	0	10,671	10,671
Other financing sources (uses)			
Sale of capital assets	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	10,671	10,671
Fund balance, January 1	0	4,720	4,720
Fund balance, December 31	$ 0	$ 15,391	$ 15,391

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 23,000	$ 25,922	$ 2,922
Charges for services	1,181,000	118,071	(1,062,929)
Intergovernmental	0	1,063,673	1,063,673
Interest	100	49	(51)
Total revenues	1,204,100	1,207,715	3,615
EXPENDITURES			
Current			
Judicial			
Contract services	1,181,000	1,176,754	4,246
Materials and supplies	100	0	100
Payments to others	23,000	24,810	(1,810)
Total expenditures	1,204,100	1,201,564	2,536
Excess (deficiency) of revenues over (under) expenditures	0	6,151	6,151
Fund balance, January 1	0	890,375	890,375
Fund balance, December 31	$ 0	$ 896,526	$ 896,526

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 1,000	$ 0	$ (1,000)
Interest	0	9	9
Total revenues	1,000	9	(991)
EXPENDITURES			
Current			
Judicial			
Contract services	0	5	(5)
Materials and supplies	1,000	0	1,000
Total expenditures	1,000	5	995
Excess (deficiency) of revenues over (under) expenditures	0	4	4
Fund balance, January 1	0	17,113	17,113
Fund balance, December 31	$ 0	$ 17,117	$ 17,117

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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 115,000	$ 238,660	$ 123,660
Total revenues	115,000	238,660	123,660
EXPENDITURES			
Current			
Public Safety			
Personal services	0	117,044	(117,044)
Contract services	0	2,050	(2,050)
Materials and supplies	75,000	8,177	66,823
Capital outlay	500,000	0	500,000
Payments to others	0	26,913	(26,913)
Culture and Recreation			
Capital outlay	40,000	32,525	7,475
Total expenditures	615,000	186,709	428,291
Excess (deficiency) of revenues over (under) expenditures	(500,000)	51,951	551,951
Other financing sources (uses)			
Transfers in (out)			
General Fund	500,000	(51,951)	(551,951)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	0	0
Fund balance, January 1	0	0	0
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, 2021

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 528,000	$ 715,030	$ 187,030
Total revenues	528,000	715,030	187,030
EXPENDITURES			
Current			
Housing and Development			
Payments to others	528,000	527,882	118
Total expenditures	528,000	527,882	118
Excess (deficiency) of revenues over (under) expenditures	0	187,148	187,148
Fund balance, January 1	0	227,158	227,158
Fund balance, December 31	$ 0	$ 414,306	$ 414,306

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, 2021

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 30	$ 258	$ 228
Total revenues	30	258	228
EXPENDITURES			
Debt Service			
Principal	1,430,000	1,430,000	0
Interest	20,030	12,184	7,846
Total expenditures	1,450,030	1,442,184	7,846
Excess (deficiency) of revenues over (under) expenditures	(1,450,000)	(1,441,926)	8,074
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	1,450,000	474,666	(975,334)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(967,260)	(967,260)
Fund balance, January 1	0	967,377	967,377
Fund balance, December 31	$ 0	$ 117	$ 117

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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, 2021

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ASSETS						
Cash and cash equivalents	$ 714,389	$ 23,903	$ 711,708	$ 46,625	$ 2,050	$ 1,498,675
Taxes receivable, net	1,571,217	0	0	0	0	1,571,217
Total assets	2,285,606	23,903	711,708	46,625	2,050	3,069,892
LIABILITIES						
Due to others	2,235,388	0	562,930	13,771	2,050	2,814,139
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 50,218	$ 23,903	$ 148,778	$ 32,854	$ 0	$ 255,753

UNION COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2021

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 22,734,061	$ 0	$ 0	$ 0	$ 0	$ 22,734,061
Court fees collected for other agencies	0	0	870,553	296,790	45,277	1,212,620
Court individual cases	0	0	813,500	349,127	0	1,162,627
Sheriff fees collected	0	158,883	0	0	0	158,883
Sheriff inmate account deposits	0	99,955	0	0	0	99,955
Total additions	22,734,061	258,838	1,684,053	645,917	45,277	25,368,146
DEDUCTIONS						
Taxes distributed to other agencies	22,683,843	0	0	0	0	22,683,843
Court fees distributed to other agencies	0	0	870,553	296,790	45,277	1,212,620
Payments to others	0	0	2,794,397	372,158	0	3,166,555
Sheriff fees distributed to other agencies	0	158,883	0	0	0	158,883
Payments from inmates to others	0	97,956	0	0	0	97,956
Total deductions	22,683,843	256,839	3,664,950	668,948	45,277	27,319,857
Change in net position	50,218	1,999	(1,980,897)	(23,031)	0	(1,951,711)
Net position, January 1	0	21,904	2,129,675	55,885	0	2,207,464
Net position, December 31	$ 50,218	$ 23,903	$ 148,778	$ 32,854	$ 0	$ 255,753

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OTHER REPORTING SECTION

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RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

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, 2021, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements and have issued our report thereon dated June 17, 2022. 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.

Report on Internal Control over Financial Reporting

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

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

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

2021-001

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.

2021-001, continued

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

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.

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

2021-002

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.

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.

2021-003

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the offices of the Tax Commissioner, Sheriff, Clerk of Courts, Probate Court, and Magistrate Court.

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Effect: Failure to maintain adequate segregation of duties exposes the assets of the County to greater risk of misappropriation.

Cause: There are several departments and constitutional offices of the County in which the segregation of duties could be improved.

Recommendation: We recommend that each County office review its policies and procedures to determine where it can adequately segregate duties to alleviate the segregation of duties issues.

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

2021-004

Condition: While performing audit procedures on alcoholic beverage license receipts, we noted instances where deposits were not made timely. We noted 17 of 35 (49%) 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.

2021-005

Condition: While performing audit procedures at the Golf Course, we noted a lack of controls over the cash disbursement process. We noted two checks written with cash as the payee and four checks written with employees as the payee who were signed by the same employee.

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 employees as the payees.

2021-005, continued

Recommendation: Checks should not be written with cash or employees as the payee. 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.

2021-006

Condition: While performing audit procedures at the Clerk of Courts, we were unable to sight approval for 8 of 20 (40%) 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.

2021-007

Condition: While performing audit procedures at the Clerk of Courts, we noted instances where deposits were not made timely. We noted 4 of 36 (11%) 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 Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2021-008

Condition: While performing audit procedures at the Clerk of Courts, we noted the monthly bank reconciliations were not performed timely.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts in a timely manner exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Cause: Clerk of Courts staff is not reconciling the bank accounts timely.

2021-008, continued

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

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.

Report on 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 Response to Findings

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

Purpose of This Report

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

Rushton, LLC

Gainesville, Georgia
June 17, 2022

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2021

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	$ 5,588,523	$ 2,893	$ 5,591,416
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,536,792	1,536,792	514,545	2,051,337
Library Upgrades, Improvements, & Equipment	100,000	100,000	88,686	14,633	103,319
Public Safety Facilities, Vehicles & Equipment	1,000,000	2,736,383	2,736,383	660,049	3,396,432
Roads, Streets & Bridges	6,000,000	6,650,843	6,650,843	314,662	6,965,505
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	6,447,770	6,447,770	1,344,523	7,792,293
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	138,566	36,355	174,921
Economic Development Facilities & Land Acquisition	300,000	300,000	158,635	82	158,717
City of Blairsville	1,500,000	2,032,777	2,032,777	154,799	2,187,576
Total	$ 19,000,000	$ 25,593,088	$ 25,378,975	$ 3,042,541	$ 28,421,516
Transfers to SPLOST Debt Service Fund for sinking fund requirements				474,666	
Interest expenditures in the SPLOST Debt Service Fund				(12,084)	
Expenditures financed by other revenues and transfers from other funds:					
Roads, Streets & Bridges				901,401	
Public Safety Facilities, Vehicles & Equipment				33,183	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 4,439,707	

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2021

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	$ 143,487	$ 143,487
Library Upgrades, Improvements, & Equipment	130,000	130,000	0	0	0
Public Safety Facilities, Vehicles & Equipment	5,000,000	5,006,500	0	676,573	676,573
Roads, Streets & Bridges	7,000,000	7,000,000	0	436,034	436,034
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	5,000,000	5,000,000	85,170	154,475	239,645
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	0	385,197	385,197
Economic Development Facilities & Land Acquisition	1,000,000	1,000,000	0	0	0
City of Blairsville	2,040,000	2,040,000	0	382,853	382,853
Total	$ 24,000,000	$ 24,006,500	$ 85,170	$ 2,178,619	$ 2,263,789

* 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.