UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2022

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2022

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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, 2022, 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, 2022, 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 33.4% of the assets, 17.0% of the net position, and 80.5% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2022. 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 opinions.

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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. 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, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023, 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 16, 2023

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Union County management is proud to present this narrative discussion and analysis of Union County's financial performance, making available an overview of the activities for the year ended December 31, 2022. 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, 2022 by $71,357,495 (*net position*). Of this amount, $9,849,018 is reported as unrestricted net position. This is an increase of $2,814,445 from the previous year for unrestricted. Total net position increased by $7,749,167 from the previous year.

- As of December 31, 2022, Union County's governmental funds reported combined ending fund balances of $19,505,322. Approximately 43% of this total amount, or $8,454,222, is reported as unassigned and available for spending at the County's discretion. Approximately 40%, or $7,839,607, is reported as restricted for capital outlay. Information about Union County's policy on fund balance can be found in Note 2S 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, 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 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current	$ 34,977,447	$ 25,782,963	$ 967,538	$ 447,253	$ 35,944,985	$ 26,230,216
Noncurrent	43,848,497	43,679,516	7,928,788	7,613,513	51,777,285	51,293,029
Total assets	78,825,944	69,462,479	8,896,326	8,060,766	87,722,270	77,523,245
Liabilities:						
Current	4,978,769	3,240,100	377,937	178,114	5,356,706	3,418,214
Noncurrent	313,782	353,858	105,366	0	419,148	353,858
Total liabilities	5,292,551	3,593,958	483,303	178,114	5,775,854	3,772,072
Deferred inflows of resources	10,588,921	10,142,845	0	0	10,588,921	10,142,845
Net position:						
Net investment in capital assets	43,564,425	43,285,514	7,694,615	7,613,513	51,259,040	50,899,027
Restricted	10,249,437	5,674,728	0	0	10,249,437	5,674,728
Unrestricted	9,130,610	6,765,434	718,408	269,139	9,849,018	7,034,573
Total net position	$ 62,944,472	$ 55,725,676	$ 8,413,023	$ 7,882,652	$ 71,357,495	$ 63,608,328

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 $71,357,495 at the close of 2022. Approximately 72% 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 80% at December 31, 2021. 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 14% 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 14%.

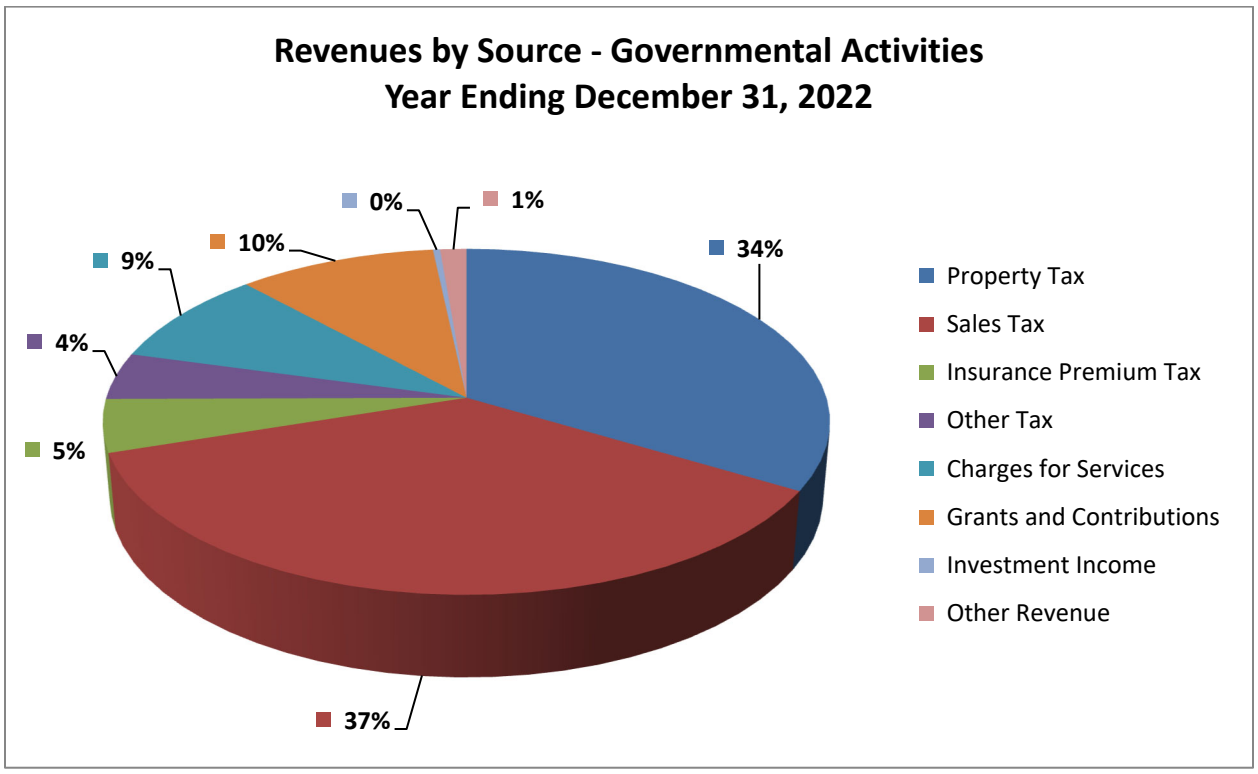
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2022 and 2021

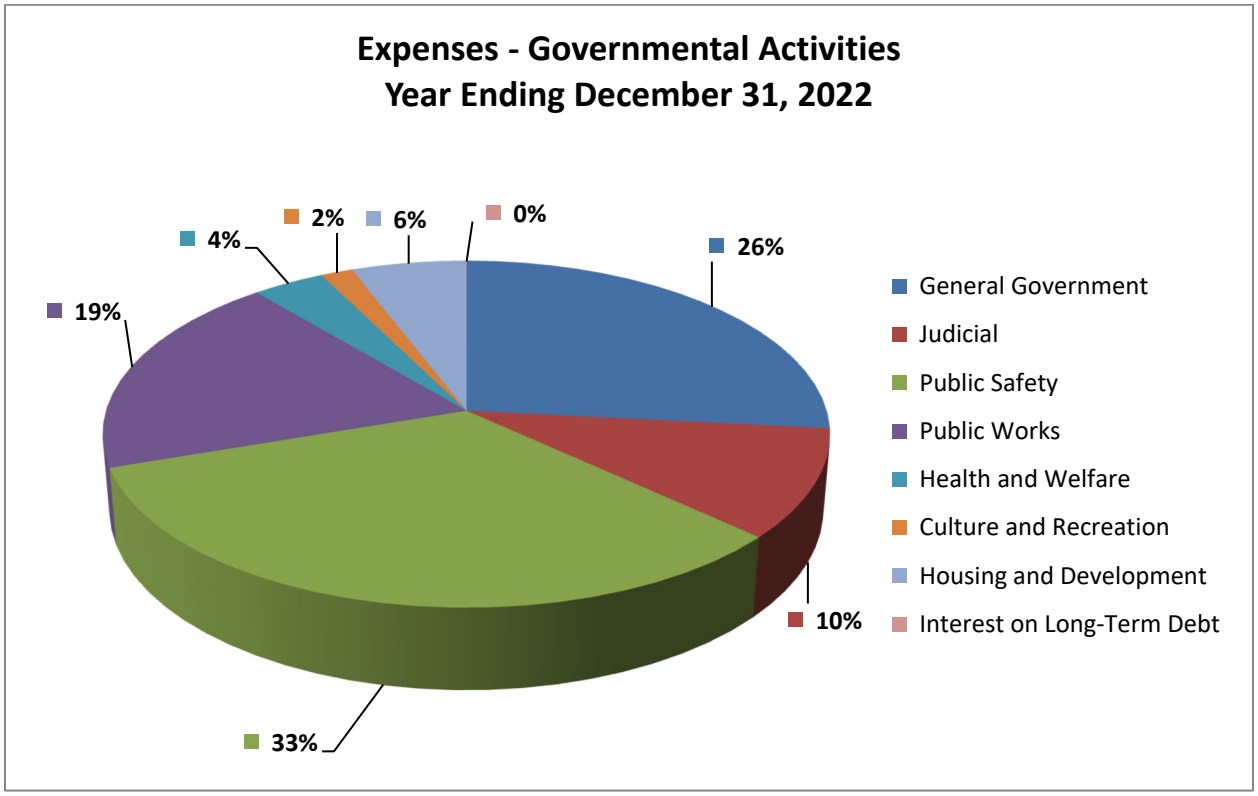
	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	$ 3,504,540	$ 3,592,888	$ 3,421,616	$ 1,467,189	$ 6,926,156	$ 5,060,077
Operating grants and contributions	3,049,120	3,442,644	0	0	3,049,120	3,442,644
Capital grants and contributions	824,831	205,763	0	0	824,831	205,763
General revenues:						
Property tax	12,860,002	11,921,940	0	0	12,860,002	11,921,940
Sales tax	13,576,670	11,932,875	0	0	13,576,670	11,932,875
Insurance premium tax	1,890,406	1,579,741	0	0	1,890,406	1,579,741
Other taxes	1,682,513	1,744,410	0	0	1,682,513	1,744,410
Interest & investment earnings	137,732	47,296	0	0	137,732	47,296
Other revenue	429,647	328,357	193,543	136,178	623,190	464,535
Total revenues	37,955,461	34,795,914	3,615,159	1,603,367	41,570,620	36,399,281
Expenses						
General Government	7,269,401	7,090,952	0	0	7,269,401	7,090,952
Judicial	2,778,074	2,602,844	0	0	2,778,074	2,602,844
Public Safety	9,287,017	8,831,636	0	0	9,287,017	8,831,636
Public Works	5,212,430	4,469,143	0	0	5,212,430	4,469,143
Health and Welfare	999,326	902,890	0	0	999,326	902,890
Culture and Recreation	442,537	697,532	0	0	442,537	697,532
Housing and Development	1,588,092	1,525,597	0	0	1,588,092	1,525,597
Interest on long-term debt	5,390	20,645	0	0	5,390	20,645
Golf Course	0	0	1,666,022	1,393,398	1,666,022	1,393,398
Meeks Park	0	0	3,039,346	2,570,619	3,039,346	2,570,619
Solid Waste	0	0	1,533,818	103,889	1,533,818	103,889
Total expenses	27,582,267	26,141,239	6,239,186	4,067,906	33,821,453	30,209,145
Increase (decrease) in net position before transfers	10,373,194	8,654,675	(2,624,027)	(2,464,539)	7,749,167	6,190,136
Transfers	(3,154,398)	(3,997,696)	3,154,398	3,997,696	0	0
Increase (decrease) in net position	7,218,796	4,656,979	530,371	1,533,157	7,749,167	6,190,136
Net position - beginning	55,725,676	51,068,697	7,882,652	6,349,495	63,608,328	57,418,192
Net position - ending	$ 62,944,472	$ 55,725,676	$ 8,413,023	$ 7,882,652	$ 71,357,495	$ 63,608,328

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 $18,988 and transfers in of $3,135,410, the decrease in net position was $2,624,027. Total change in net position was an increase of $530,371, or 7%.

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 $19,505,322. Of this amount, $8,454,222 (43%) 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 $8,794,546. Unassigned fund balance represents approximately 96% 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 42% of total General Fund expenditures, while total fund balance represents approximately 43% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $2,321,324, or approximately 36%. The County increased unassigned fund balance in the General Fund by $2,442,922, or 41%. 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 and intergovernmental revenues were up substantially. Public safety expenditures decreased substantially due to Sheriff capital outlay and public works expenditures decreased substantially due to personal services. Proceeds from sale of capital assets decreased substantially due to less vehicle trades.

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

At the end of the current year, the SPLOST V Capital Projects Fund had total fund balance of $8,616,769, of which $7,839,207 is restricted for capital outlay. Fund balance of the SPLOST V Capital Projects Fund increased $4,942,178 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 $1,507,409 and expenditures and other financing uses in total increased $1,507,409 from original to final budgets. The County experienced an increase in revenues from the prior fiscal year, but experienced a more significant 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 $ 3,151,602
- Meeks Park $ 4,262,729
- Solid Waste $ 998,692

The Golf Course Fund had an increase in net position of $338,310. Operating loss totaled $390,763. The Meeks Park Fund had a decrease in net position $278,656. Operating loss totaled $2,233,077. The Solid Waste Fund had an increase in net position $470,717. Operating income totaled $1,932.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $51,546,716 in capital assets (net of accumulated depreciation) compared to $51,293,029 in the previous year. This did not represent a significant change. 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 2022 and 2021

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 6,956,583	$ 6,956,583	$ 2,657,801	$ 2,657,801	$ 9,614,384	$ 9,614,384
Construction in progress	1,739,526	1,034,864	23,063	0	1,762,589	1,034,864
Land improvements	0	0	1,594,087	1,527,039	1,594,087	1,527,039
Buildings and improvements	37,649,270	36,950,940	5,180,148	4,987,863	42,829,418	41,938,803
Machinery and equipment	5,947,595	5,609,979	2,644,289	2,429,826	8,591,884	8,039,805
Vehicles	7,064,747	6,838,923	407,106	231,711	7,471,853	7,070,634
Infrastructure	21,799,153	21,799,153	0	0	21,799,153	21,799,153
Total	81,156,874	79,190,442	12,506,494	11,834,240	93,663,368	91,024,682
Accumulated depreciation	(37,308,377)	(35,510,926)	(4,808,275)	(4,220,727)	(42,116,652)	(39,731,653)
Net Capital Assets	$ 43,848,497	$ 43,679,516	$ 7,698,219	$ 7,613,513	$ 51,546,716	$ 51,293,029

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

- Completion of various SPLOST projects
- Continuing various ARPA projects
- Purchase of vehicles and heavy equipment for various departments
- Continued improvements to Senior Center facilities
- 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 vehicles and equipment for the transfer station

Additional information on Union County's capital assets can be found in Note 10 on pages 53-56 of this report.

Debt/Leases. On December 31, 2022, Union County did not present a total debt balance outstanding for governmental activities, as compared to $75,080 the previous year. Union County's outstanding debt for governmental activities has decreased by $75,080 due to regular scheduled payments.

In the current year, Union County implemented GASB Statement No. 87, *Leases*. On December 31, 2022, the County's outstanding lease obligation for Butternut Creek Golf Course has a balance of $234,173.

Additional information on the County's long-term debt can be found in Notes 11 and 12 on pages 57-58 of this report.

Economic Condition and Outlook

Union County is determined to maintain a healthy fund balance each year while continuing to provide exceptional services to our citizens. Moving forward the County will continue to face challenges as a result of 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 2023 and 2024. 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 31,308,082	$ 1,202,615	$ 32,510,697	$ 1,683,978
Accounts receivable (net)	95,099	38,027	133,126	18,567
Intergovernmental receivables	1,231,087	0	1,231,087	0
Taxes receivable (net)	1,775,537	0	1,775,537	0
Prepaid items	221,589	0	221,589	0
Inventories	35,284	37,665	72,949	0
Internal balances	310,769	(310,769)	0	0
Total current assets	34,977,447	967,538	35,944,985	1,702,545
Noncurrent assets				
Land held for resale	0	0	0	1,631,211
Proportionate share of net OPEB asset	0	0	0	37,177
Right to use leased assets (net)	0	230,569	230,569	0
Capital assets				
Non-depreciable	8,696,109	2,680,864	11,376,973	0
Depreciable (net)	35,152,388	5,017,355	40,169,743	177,989
Total noncurrent assets	43,848,497	7,928,788	51,777,285	1,846,377
Total assets	78,825,944	8,896,326	87,722,270	3,548,922
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	0	0	167,898
Deferred outflows of resources - OPEB	0	0	0	42,199
Total deferred outflows of resources	0	0	0	210,097
LIABILITIES				
Current liabilities				
Accounts payable	1,136,850	136,531	1,273,381	43,325
Retainages payable	48,047	0	48,047	0
Accrued salaries and payroll liabilities	382,561	41,838	424,399	9,953
Accrued expenses	0	13,264	13,264	0
Unearned revenue	2,736,913	0	2,736,913	0
Compensated absences	203,455	57,497	260,952	41,100
Lease liabilities	0	128,807	128,807	0
Landfill post-closure care costs	14,500	0	14,500	0
Other current liabilities	456,443	0	456,443	0
Total current liabilities	4,978,769	377,937	5,356,706	94,378
Noncurrent liabilities				
Compensated absences	0	0	0	37,332
Proportionate share of net pension liability	0	0	0	322,535
Lease liabilities	0	105,366	105,366	0
Landfilll post-closure care costs	313,782	0	313,782	0
Total noncurrent liabilities	313,782	105,366	419,148	359,867
Total liabilities	5,292,551	483,303	5,775,854	454,245

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	$ 0	$ 0	$ 0	$ 299,439
Deferred inflows of resources - OPEB	0	0	0	168,786
Property taxes levied for subsequent year	10,588,921	0	10,588,921	0
Total deferred inflows of resources	10,588,921	0	10,588,921	468,225
NET POSITION				
Net investment in capital assets	43,564,425	7,694,615	51,259,040	177,989
Restricted for:				
Law library operations	75,228	0	75,228	0
Judicial activities	892,909	0	892,909	0
Public safety activities	568,088	0	568,088	0
Drug abuse treatment and education programs	84,275	0	84,275	0
LMIG projects	788,359	0	788,359	0
Grant specifications	971	0	971	0
Capital outlay	7,839,607	0	7,839,607	0
Unrestricted	9,130,610	718,408	9,849,018	2,658,560
Total net position	$ 62,944,472	$ 8,413,023	$ 71,357,495	$ 2,836,549

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2022

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	$ 7,269,401	$ 590,771	$ 234,294	$ 14,718	$ (6,429,618)
Judicial	2,778,074	84,341	1,168,726	0	(1,525,007)
Public Safety	9,287,017	2,273,568	761,291	207,580	(6,044,578)
Public Works	5,212,430	80,393	872,808	267,121	(3,992,108)
Health and Welfare	999,326	17,353	0	295,037	(686,936)
Culture and Recreation	442,537	0	0	0	(442,537)
Housing and Development	1,588,092	458,114	12,001	40,375	(1,077,602)
Interest on long-term debt	5,390	0	0	0	(5,390)
Total governmental activities	27,582,267	3,504,540	3,049,120	824,831	(20,203,776)
Business-type activities					
Golf Course	1,666,022	1,258,603	0	0	(407,419)
Meeks Park	3,039,346	630,967	0	0	(2,408,379)
Solid Waste	1,533,818	1,532,046	0	0	(1,772)
Total business-type activities	6,239,186	3,421,616	0	0	(2,817,570)
Total primary government	33,821,453	6,926,156	3,049,120	824,831	(23,021,346)
Component Units					
Union County Health Department					
Health and Welfare	888,935	461,735	380,615	0	(46,585)
Development Authority of Union County					
Housing and Development	259,262	20,000	0	0	(239,262)
Total component units	1,148,197	481,735	380,615	0	(285,847)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (20,203,776)	$ (2,817,570)	$ (23,021,346)	$ (285,847)
General revenues				
Taxes				
Property	12,860,002	0	12,860,002	0
Sales	13,576,670	0	13,576,670	0
Insurance premium	1,890,406	0	1,890,406	0
Other	1,682,513	0	1,682,513	0
Interest and investment earnings	137,732	0	137,732	672
Payments from Union County	0	0	0	287,524
Gain on sale of land held for resale	0	0	0	42,500
Gain on sale of capital assets	272,693	7,012	279,705	0
Other	156,954	186,531	343,485	0
Transfers	(3,154,398)	3,154,398	0	0
Total general revenues and transfers	27,422,572	3,347,941	30,770,513	330,696
Change in net position	7,218,796	530,371	7,749,167	44,849
Net position - beginning	55,725,676	7,882,652	63,608,328	2,791,700
Net position - ending	$ 62,944,472	$ 8,413,023	$ 71,357,495	$ 2,836,549

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

	General	American Rescue Plan Act	SPLOST V	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 18,088,512	$ 3,273,474	$ 7,907,633	$ 2,038,463	$ 31,308,082
Receivables (net)					
Accounts	46,199	0	0	48,900	95,099
Intergovernmental	125,340	0	858,733	247,014	1,231,087
Taxes	1,642,384	0	0	133,153	1,775,537
Due from other funds	683,929	0	0	0	683,929
Prepaid items	220,765	0	0	824	221,589
Inventories	35,284	0	0	0	35,284
Total assets	$ 20,842,413	$ 3,273,474	$ 8,766,366	$ 2,468,354	$ 35,350,607
LIABILITIES					
Accounts payable	$ 508,276	$ 161,439	$ 149,597	$ 317,538	$ 1,136,850
Retainages payable	0	29,406	0	18,641	48,047
Accrued salaries and payroll liabilities	371,837	0	0	10,724	382,561
Due to other funds	0	344,745	0	28,415	373,160
Unearned revenue	0	2,736,913	0	0	2,736,913
Other liabilities	456,443	0	0	0	456,443
Total liabilities	1,336,556	3,272,503	149,597	375,318	5,133,974
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for subsequent year	10,588,921	0	0	0	10,588,921
Unavailable revenue - property taxes	122,390	0	0	0	122,390
Total deferred inflows of resources	10,711,311	0	0	0	10,711,311
FUND BALANCES					
Nonspendable:					
Prepaid items	220,765	0	0	824	221,589
Inventories	35,284	0	0	0	35,284
Restricted for:					
Law library operations	0	0	0	75,228	75,228
Judicial activities	0	0	0	892,909	892,909
Public safety activities	0	0	0	568,088	568,088
Drug abuse treatment and education programs	84,275	0	0	0	84,275
LMIG projects	0	0	777,562	10,797	788,359
Grant specifications	0	971	0	0	971
Capital outlay	0	0	7,839,207	400	7,839,607
Assigned for:					
Emergency 911 system operations	0	0	0	35,441	35,441
Tourism	0	0	0	509,349	509,349
Unassigned	8,454,222	0	0	0	8,454,222
Total fund balances	8,794,546	971	8,616,769	2,093,036	19,505,322
Total liabilities, deferred inflows of resouces, and fund balances	$ 20,842,413	$ 3,273,474	$ 8,766,366	$ 2,468,354	$ 35,350,607

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, 2022

Total fund balance - total governmental funds	$	19,505,322
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		43,848,497
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		122,390
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Compensated absences		(203,455)
Landfill post-closure care costs		(328,282)
Net position of governmental activities	$	62,944,472

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2022

	General	American Rescue Plan Act	SPLOST V	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 21,561,948	$ 0	$ 7,541,951	$ 853,499	$ 29,957,398
Licenses and permits	529,748	0	0	0	529,748
Fines, fees and forfeitures	867,413	0	0	189,282	1,056,695
Charges for services	691,497	0	0	635,167	1,326,664
Intergovernmental	762,177	1,252,373	941,984	1,341,537	4,298,071
Interest	136,596	487	83,048	1,139	221,270
Contributions	55,093	0	19,160	9,521	83,774
Other	156,954	0	0	0	156,954
Total revenues	24,761,426	1,252,860	8,586,143	3,030,145	37,630,574
EXPENDITURES					
Current					
General Government	6,598,158	0	0	0	6,598,158
Judicial	1,541,648	34,707	0	1,217,446	2,793,801
Public Safety	8,004,869	638,381	0	2,090,886	10,734,136
Public Works	1,995,603	50,122	0	0	2,045,725
Health and Welfare	945,176	295,037	0	0	1,240,213
Culture and Recreation	320,815	0	0	0	320,815
Housing and Development	918,908	0	0	758,456	1,677,364
Capital outlay	0	0	2,405,072	308,881	2,713,953
Debt service	0	0	0	80,470	80,470
Intergovernmental	0	0	628,419	0	628,419
Total expenditures	20,325,177	1,018,247	3,033,491	4,456,139	28,833,054
Excess (deficiency) of revenues over (under) expenditures	4,436,249	234,613	5,552,652	(1,425,994)	8,797,520
Other financing sources (uses)					
Transfers in	288,863	0	0	250,811	539,674
Transfers out	(2,790,239)	(233,844)	(610,474)	(40,527)	(3,675,084)
Sale of capital assets	386,451	0	0	874,895	1,261,346
Total other financing sources (uses)	(2,114,925)	(233,844)	(610,474)	1,085,179	(1,874,064)
Net change in fund balances	2,321,324	769	4,942,178	(340,815)	6,923,456
Fund balances, January 1	6,473,222	202	3,674,591	2,433,851	12,581,866
Fund balances, December 31	$ 8,794,546	$ 971	$ 8,616,769	$ 2,093,036	$ 19,505,322

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, 2022

Net change in fund balances - total governmental funds			$ 6,923,456
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlays	$ 3,415,816		
Depreciation	(2,239,194)		1,176,622
In the statement of activities, gains and losses on the sale of capital assets are reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$ (1,422,034)		
Related accumulated depreciation	433,381		(988,653)
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	$ (27,350)		
Related accumulated depreciation	8,362		(18,988)
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			75,080
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.			52,194
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	$ (15,415)		
Landfill post-closure care costs	14,500		(915)
Change in net position of governmental activities			$ 7,218,796

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 19,864,368	$ 21,344,777	$ 21,561,948	$ 217,171
Licenses and permits	431,500	431,500	529,748	98,248
Fines, fees and forfeitures	667,000	667,000	867,413	200,413
Charges for services	654,050	654,050	691,497	37,447
Intergovernmental	657,673	657,673	762,177	104,504
Interest	76,500	76,500	136,596	60,096
Contibutions	46,000	46,000	55,093	9,093
Other	100,600	100,600	156,954	56,354
Total revenues	22,497,691	23,978,100	24,761,426	783,326
EXPENDITURES				
Current				
General Government				
Executive	547,820	547,820	471,574	76,246
Elections	199,880	280,000	279,489	511
General administration	1,034,610	1,127,000	1,126,846	154
Financial administration	214,862	220,000	219,530	470
Tax commissioner	427,192	427,192	427,138	54
Tax assessor	464,585	464,585	452,213	12,372
Risk management	3,015,000	3,338,000	3,337,510	490
General government buildings	435,893	435,893	283,858	152,035
Judicial				
Judicial administration	5,200	65,000	64,751	249
Superior court	104,000	104,000	69,591	34,409
Drug court	28,000	28,000	19,933	8,067
Clerk of superior court	365,871	365,871	307,137	58,734
District attorney	169,900	252,000	251,255	745
Magistrate court	233,367	233,367	230,497	2,870
Probate court	332,479	332,479	325,276	7,203
Juvenile court	220,000	220,000	133,814	86,186
Grand jury	1,200	1,200	576	624
Public defender	130,100	130,100	105,533	24,567
Community service	84,101	84,101	33,285	50,816
Public Safety				
Sheriff	3,640,748	3,640,748	3,388,997	251,751
Jail operations	2,134,889	2,134,889	2,063,471	71,418
School resource officer	7,000	7,000	6,039	961
Courthouse security	374,212	417,000	416,208	792
Fire and emergency management	1,787,800	1,787,800	1,769,547	18,253
Fire stations and buildings	102,330	102,330	101,120	1,210
Coroner	39,070	39,070	28,649	10,421
Animal control	218,484	231,000	230,838	162
Public Works				
Highways and streets	1,450,868	1,677,000	1,676,844	156
Solid waste	0	18,900	18,845	55
Public education	15,000	15,000	739	14,261
Maintenance and shop	280,944	300,000	299,175	825

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public health administration	$ 328,200	$ 403,000	$ 402,592	$ 408
Health department	1,000	1,000	333	667
Ambulance contract	310,000	310,000	171,001	138,999
Intergovernmental welfare	20,000	20,000	9,795	10,205
Senior citizens	183,224	186,000	185,431	569
Community center	68,173	68,173	66,912	1,261
Transportation services	139,931	139,931	109,112	30,819
Culture and Recreation				
Participant recreation	37,100	37,100	29,779	7,321
Library admission	318,500	318,500	291,036	27,464
Housing and Development				
Conservation	63,694	79,000	78,960	40
Agricultural	73,086	73,086	46,323	26,763
Building inspection	406,965	406,965	362,019	44,946
Planning and zoning	197,254	217,000	216,338	662
Economic development	228,500	228,500	215,268	13,232
Total expenditures	20,441,032	21,515,600	20,325,177	1,190,423
Excess (deficiency) of revenues over expenditures	2,056,659	2,462,500	4,436,249	1,973,749
Other financing sources (uses)				
Transfers in	(19,500)	(19,500)	288,863	308,363
Transfers out	(2,347,159)	(2,780,000)	(2,790,239)	(10,239)
Contingency	(50,000)	(50,000)	0	50,000
Sale of capital assets	360,000	387,000	386,451	(549)
Total other financing sources (uses)	(2,056,659)	(2,462,500)	(2,114,925)	347,575
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	2,321,324	2,321,324
Fund balance, January 1	0	0	6,473,222	6,473,222
Fund balance, December 31	$ 0	$ 0	$ 8,794,546	$ 8,794,546

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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 2,380,487	$ 2,885,487	$ 1,252,373	$ (1,633,114)
Interest	500	500	487	(13)
Total revenues	2,380,987	2,885,987	1,252,860	(1,633,127)
EXPENDITURES				
Current				
Judicial	0	35,000	34,707	293
Public Safety	550,000	639,000	638,381	619
Public Works	0	51,000	50,122	878
Health and Welfare	200,000	296,000	295,037	963
Total expenditures	750,000	1,021,000	1,018,247	2,753
Excess (deficiency) of revenues over expenditures	1,630,987	1,864,987	234,613	(1,630,374)
Other financing sources (uses)				
Transfers out	0	(234,000)	(233,844)	156
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,630,987	1,630,987	769	(1,630,218)
Fund balance, January 1	(1,630,987)	(1,630,987)	202	1,631,189
Fund balance, December 31	$ 0	$ 0	$ 971	$ 971

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2022

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 500,385	$ 332,296	$ 369,934	$ 1,202,615
Accounts receivable (net)	0	473	37,554	38,027
Inventories	37,096	569	0	37,665
Total current assets	537,481	333,338	407,488	1,278,307
Noncurrent assets				
Capital assets				
Non-depreciable	1,840,587	745,152	95,125	2,680,864
Right to use leased assets (net)	230,569	0	0	230,569
Depreciable (net)	813,709	3,291,166	912,480	5,017,355
Total noncurrent assets	2,884,865	4,036,318	1,007,605	7,928,788
Total assets	3,422,346	4,369,656	1,415,093	9,207,095
LIABILITIES				
Current liabilities				
Accounts payable	8,330	42,093	86,108	136,531
Accrued expenses	4,563	8,701	0	13,264
Accrued salaries and payroll liabilities	9,607	22,112	10,119	41,838
Compensated absences	14,071	34,021	9,405	57,497
Due to other funds	0	0	310,769	310,769
Lease liabilities	128,807	0	0	128,807
Total current liabilities	165,378	106,927	416,401	688,706
Noncurrent liabilities				
Lease liabilities	105,366	0	0	105,366
Total liabilities	270,744	106,927	416,401	794,072
NET POSITION				
Investment in capital assets	2,650,692	4,036,318	1,007,605	7,694,615
Unrestricted	500,910	226,411	(8,913)	718,408
Total net position	$ 3,151,602	$ 4,262,729	$ 998,692	$ 8,413,023

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, 2022

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
OPERATING REVENUES				
Charges for sales and services	$ 1,258,603	$ 630,967	$ 1,532,046	$ 3,421,616
Other	7,525	175,302	3,704	186,531
Total operating revenues	1,266,128	806,269	1,535,750	3,608,147
OPERATING EXPENSES				
Costs of sales and services	736,009	1,266,400	1,036,390	3,038,799
Personal services	557,036	1,451,923	465,064	2,474,023
Depreciation and amortization	363,846	321,023	32,364	717,233
Total operating expenses	1,656,891	3,039,346	1,533,818	6,230,055
Operating income (loss)	(390,763)	(2,233,077)	1,932	(2,621,908)
Non-operating revenues (expenses)				
Interest expense	(9,131)	0	0	(9,131)
Gain (loss) on sale of capital assets	0	0	7,012	7,012
Total non-operating revenues (expenses)	(9,131)	0	7,012	(2,119)
Net income (loss) before capital contributions and transfers	(399,894)	(2,233,077)	8,944	(2,624,027)
Capital contributions				
Contributions of capital assets from governmental activities	0	0	18,988	18,988
Net income (loss) before transfers	(399,894)	(2,233,077)	27,932	(2,605,039)
Transfers in (out)				
Transfers in	738,204	1,954,421	457,285	3,149,910
Transfers out	0	0	(14,500)	(14,500)
Total transfers in (out)	738,204	1,954,421	442,785	3,135,410
Change in net position	338,310	(278,656)	470,717	530,371
Net position, January 1	2,813,292	4,541,385	527,975	7,882,652
Net position, December 31	$ 3,151,602	$ 4,262,729	$ 998,692	$ 8,413,023

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2022

	Business-Type Activities			
	Golf Course	Meeks Park	Solid Waste	Totals
Cash flows from operating activities:				
Receipts from customers	$ 1,258,603	$ 630,967	$ 1,507,245	$ 3,396,815
Payments to suppliers	(764,994)	(1,246,863)	(1,005,215)	(3,017,072)
Payments to employees	(553,477)	(1,428,917)	(449,791)	(2,432,185)
Other receipts	7,525	175,302	3,704	186,531
Net cash provided (used) by operating activities	(52,343)	(1,869,511)	55,943	(1,865,911)
Cash flows from non-capital financing activities:				
Payments to other funds	(358,352)	0	(14,500)	(372,852)
Receipts from other funds	602,993	1,936,443	310,769	2,850,205
Net cash provided (used) by non-capital financing activities	244,641	1,936,443	296,269	2,477,353
Cash flows from capital and related financing activities:				
Receipts from other funds	135,211	17,978	457,285	610,474
Proceeds from sales of capital assets	0	0	26,000	26,000
Payments for acquisitions of capital assets	(33,228)	(126,846)	(512,180)	(672,254)
Principal payments of lease liabilities	(126,081)	0	0	(126,081)
Interest paid	(9,131)	0	0	(9,131)
Net cash provided (used) by capital and related financing activities	(33,229)	(108,868)	(28,895)	(170,992)
Net increase (decrease) in cash and cash equivalents	159,069	(41,936)	323,317	440,450
Cash and cash equivalents, January 1	341,316	374,232	46,617	762,165
Cash and cash equivalents, December 31	$ 500,385	$ 332,296	$ 369,934	$ 1,202,615
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (390,763)	$ (2,233,077)	$ 1,932	$ (2,621,908)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	363,846	321,023	32,364	717,233
(Increase) decrease in accounts receivable	0	0	(24,801)	(24,801)
(Increase) decrease in inventories	(7,660)	209	0	(7,451)
Increase (decrease) in accounts payable	(21,083)	19,490	31,175	29,582
Increase (decrease) in accrued salaries and payroll liabilities	3,311	6,703	6,913	16,927
Increase (decrease) in accrued expenses	(242)	(162)	0	(404)
Increase (decrease) in compensated absences	248	16,303	8,360	24,911
Total adjustments	338,420	363,566	54,011	755,997
Net cash provided (used) by operating activities	$ (52,343)	$ (1,869,511)	$ 55,943	$ (1,865,911)

Noncash investing, capital, and financing activities:
Contributions of capital assets from governmental activities totaled $27,350, with related accumulated depreciation of $8,362.

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 1,306,260
Taxes receivable, net	1,647,984
Total assets	2,954,244
LIABILITIES	
Due to others	2,099,466
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 854,778

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2022

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 23,877,446
Court fees collected for other agencies	1,174,099
Court individual cases	1,331,565
Sheriff fees collected	182,900
Sheriff inmate account deposits	98,441
Total additions	26,664,451
DEDUCTIONS	
Taxes distributed to other agencies	23,617,979
Court fees distributed to other agencies	1,174,099
Payments to others	994,051
Sheriff fees distributed to other agencies	182,900
Payments from inmates to others	96,397
Total deductions	26,065,426
Change in net position	599,025
Net position - beginning	255,753
Net position - ending	$ 854,778

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2022

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 554,201	$ 1,129,777	$ 1,683,978
Accounts receivable (net)	0	18,567	18,567
Total current assets	554,201	1,148,344	1,702,545
Noncurrent assets			
Land held for resale	1,631,211	0	1,631,211
Depreciable capital assets (net)	177,989	0	177,989
Proportionate share of net OPEB asset	0	37,177	37,177
Total noncurrent assets	1,809,200	37,177	1,846,377
Total assets	2,363,401	1,185,521	3,548,922
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	167,898	167,898
Deferred outflows of resources - OPEB	0	42,199	42,199
Total deferred outflows of resources	0	210,097	210,097
LIABILITIES			
Current liabilities			
Accounts payable	0	43,325	43,325
Accrued salaries and payroll liabilities	9,953	0	9,953
Compensated absences	0	41,100	41,100
Total current liabilities	9,953	84,425	94,378
Noncurrent liabilities			
Compensated absences	0	37,332	37,332
Proportionate share of net pension liability	0	322,535	322,535
Total noncurrent liabilities	0	359,867	359,867
Total liabilities	9,953	444,292	454,245
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	299,439	299,439
Deferred inflows of resources - OPEB	0	168,786	168,786
Total deferred inflows of resources	0	468,225	468,225
NET POSITION			
Investment in capital assets	177,989	0	177,989
Unrestricted	2,175,459	483,101	2,658,560
Total net position	$ 2,353,448	$ 483,101	$ 2,836,549

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2022

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 888,935	$ 888,935
Housing and Development	259,262	0	259,262
Total expenses	259,262	888,935	1,148,197
Program revenues			
Charges for services	20,000	461,735	481,735
Operating grants and contributions	0	380,615	380,615
Total program revenues	20,000	842,350	862,350
Net (expense) revenue	(239,262)	(46,585)	(285,847)
General revenues			
Interest	672	0	672
Payments from Union County	170,012	117,512	287,524
Gain on sale of land held for resale	42,500	0	42,500
Total general revenues	213,184	117,512	330,696
Change in net position	(26,078)	70,927	44,849
Net position - beginning	2,379,526	412,174	2,791,700
Net position - ending	$ 2,353,448	$ 483,101	$ 2,836,549

See accompanying notes to the financial statements.

1. Description of Government Unit

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

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 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.

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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 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.

L. Right to Use Leased Assets

The County has recorded right to use leased assets as a result of implementing GASB Statement No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use leased assets are amortized on a straight-line basis over the shorter of the estimated useful life of the leased asset or life of the related lease.

2. Summary of Significant Accounting Policies (continued)

M. 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)

N. 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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two 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.

O. 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)

P. 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.

Q. 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.

R. 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)

S. 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)

S. 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.

T. 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)

U. 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.

V. 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.

W. 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 Fitch's criteria for AAAf/S1 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/S1 by Fitch. The weighted average maturity at the end of the current year was 23 days. As of the end of the current year, the County's balance in Georgia Fund 1 was $14,675,993.

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		$ 46,199
Enterprise Funds		
Meeks Park		473
Solid Waste	$ 41,014	
Less: Allowance for uncollectibles	(3,460)	37,554
Nonmajor Funds		
Special Revenue Funds		
Emergency 911	$ 46,720	
Local Victims Assistance	2,180	48,900
Total primary government		$ 133,126
Component Units:		
Union County Health Department		$ 18,567

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 125,340
SPLOST V Capital Projects Fund		858,733
Nonmajor Funds		
Special Revenue Funds		
Drug Abuse	$ 182,773	
Multiple Grant	64,241	247,014
Total primary government		$ 1,231,087

6. Property Taxes

Property taxes for the 2022 digest were levied on September 8, 2022, and billed on September 20, 2022, with property values assessed as of January 1, 2022. Bills are payable on or before December 20, 2022, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2022 are for fiscal year 2023. Amounts recorded as a receivable and amounts collected as of December 31, 2022, 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	$ 344,745
	Nonmajor Governmental	28,415
	Solid Waste	310,769
		$ 683,929

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. 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	Golf Course	$ 602,993
	Meeks Park	1,936,443
	Nonmajor Governmental	250,803
American Rescue Plan Act	General Fund	233,844
SPLOST V	Golf Course	135,211
	Meeks Park	17,978
	Solid Waste	457,285
Nonmajor Governmental	General Fund	40,519
	Nonmajor Governmental	8
Solid Waste	General Fund	14,500
		3,689,584
Transfers of capital assets		
Governmental activities	Solid Waste	18,988
		$ 3,708,572

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. Right to Use Leased Assets

Right to use leased asset activity for the primary government for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Amortizable assets				
Machinery and equipment	$ 360,254	$ 0	$ 0	$ 360,254
Less accumulated amortization				
Machinery and equipment	0	(129,685)	0	(129,685)
Total business-type activities right of use leased assets, net	$ 360,254	$ (129,685)	$ 0	$ 230,569

Amortization expense was charged to functions/programs as follows:

Primary Government	
Business-type activities	
Golf Course	$ 129,685

10. 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	$ 6,956,583	$ 0	$ 0	$ 6,956,583
Construction in progress	1,034,864	1,595,276	(890,614)	1,739,526
Total nondepreciable assets	7,991,447	1,595,276	(890,614)	8,696,109
Depreciable assets				
Buildings and improvements	36,950,940	698,330	0	37,649,270
Infrastructure	21,799,153	0	0	21,799,153
Machinery and equipment	5,507,609	389,272	(51,656)	5,845,225
Vehicles	6,838,923	1,623,552	(1,397,728)	7,064,747
Equipment	102,370	0	0	102,370
Total depreciable assets	71,198,995	2,711,154	(1,449,384)	72,460,765
Less accumulated depreciation				
Buildings and improvements	(11,552,333)	(833,753)	0	(12,386,086)
Infrastructure	(16,468,204)	(464,978)	0	(16,933,182)
Machinery and equipment	(3,257,678)	(256,699)	45,843	(3,468,534)
Vehicles	(4,130,991)	(683,351)	395,900	(4,418,442)
Equipment	(101,720)	(413)	0	(102,133)
Total accumulated depreciation	(35,510,926)	(2,239,194)	441,743	(37,308,377)
Total depreciable assets, net	35,688,069	471,960	(1,007,641)	35,152,388
Governmental activities capital assets, net	$ 43,679,516	$ 2,067,236	$ (1,898,255)	$ 43,848,497

10. 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	$ 2,657,801	$ 0	$ 0	$ 2,657,801
Construction in progress	0	23,063	0	23,063
Total nondepreciable assets	2,657,801	23,063	0	2,680,864
Depreciable assets				
Land improvements	1,527,039	67,048	0	1,594,087
Buildings and improvements	4,987,863	192,285	0	5,180,148
Machinery and equipment	2,429,826	214,463	0	2,644,289
Vehicles	231,711	202,745	(27,350)	407,106
Total depreciable assets	9,176,439	676,541	(27,350)	9,825,630
Less accumulated depreciation				
Land improvements	(540,792)	(75,758)	0	(616,550)
Buildings and improvements	(2,062,055)	(211,900)	0	(2,273,955)
Machinery and equipment	(1,532,300)	(270,306)	0	(1,802,606)
Vehicles	(85,580)	(37,946)	8,362	(115,164)
Total accumulated depreciation	(4,220,727)	(595,910)	8,362	(4,808,275)
Total depreciable assets, net	4,955,712	80,631	(18,988)	5,017,355
Business-type activities capital assets, net	$ 7,613,513	$ 103,694	$ (18,988)	$ 7,698,219

10. 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	(16,883)	(5,128)	0	(22,011)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(21,104)	(5,128)	0	(26,232)
Development Authority of Union County capital assets, net	$ 183,117	$ (5,128)	$ 0	$ 177,989
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

10. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	628,900
Judicial		6,267
Public Safety		791,454
Public Works		635,403
Health and Welfare		39,097
Culture and Recreation		108,594
Housing and Development		29,479
Total depreciation expense for governmental activities	$	2,239,194
Business-type activities		
Golf Course	$	234,161
Meeks Park		321,023
Solid Waste		32,364
Total depreciation expense for business-type activities	$	587,548
Component units		
Development Authority of Union County	$	5,128

		Business-type Activities
Current year depreciation expense	$	587,548
Prior accumulated depreciation on assets contributed from the governmental activities		8,362
Additions to accumulated depreciation	$	595,910

11. Long-Term Debt

Notes from Direct Borrowings

Governmental Activities

The County has entered into an agreement for the finance the purchase of certain equipment. The note is secured by the equipment. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The remaining principal balance was paid in full in the current year.

Leases

Business-type Activities

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases*, and have been recorded at the present value of the future minimum lease payments at their inception. Lease liabilities are comprised of the following individual leases at the end of the current year:

- $246,984 equipment lease due in monthly installments of $8,268 through June 2024, interest at 0.327%, $148,433 outstanding.
- $113,270 equipment lease due in monthly installments of $3,000 through August 2025, interest at 8.400%, $85,740 outstanding.

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

Year Ending December 31,	Principal	Interest	Total
2023	$ 128,807	$ 6,404	$ 135,211
2024	82,105	3,501	85,606
2025	23,261	739	24,000
Totals	$ 234,173	$ 10,644	$ 244,817

12. 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					
Notes from direct borrowings	$ 75,080	$ 0	$ 75,080	$ 0	$ 0
Landfill post-closure care costs	342,782	0	14,500	328,282	14,500
Compensated absences	188,040	203,455	188,040	203,455	203,455
Total governmental activities	$ 605,902	$ 203,455	$ 277,620	$ 531,737	$ 217,955
Business-type activities					
Lease liabilities	$ 360,254	$ 0	$ 126,081	$ 234,173	$ 128,807
Compensated absences	32,586	57,497	32,586	57,497	57,497
Total business-type activities	$ 392,840	$ 57,497	$ 158,667	$ 291,670	$ 186,304
Component Units					
Union County Health Department					
Compensated absences	$ 70,418	$ 49,082	$ 41,068	$ 78,432	$ 41,100

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 $5,390 and $9,131 for governmental activities and business-type activities, respectively.

13. 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 $328,282 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.

14. 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
Capital assets, net	$ 43,848,497	$ 7,698,219
Right to use leased assets, net	0	230,569
Capital-related accounts payable	(236,025)	0
Capital-related retainages payable	(48,047)	0
Lease liabilities	0	(234,173)
Net investment in capital assets	$ 43,564,425	$ 7,694,615

15. 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 $554,066 and the employees contributed $493,099 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.

15. 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, 2022, the Department contributed $90,918. As of June 30, 2022, the Department reported a liability in the amount of $322,535 for its proportionate share (0.013790%) of the net pension liability. The Department recognized pension expense of $90,918 for the fiscal year ended June 30, 2022. 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.

16. 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, 2022, the Health Department contributed $22,204. As of June 30, 2022, the Health Department reported a net asset in the amount of $37,177 for its proportionate share (0.012639% for the State of Georgia OPEB Fund and 0.011678% for the SEAD-OPEB Fund) of the net OPEB asset. The Health Department recognized OPEB expense of ($107,584) for the fiscal year ended June 30, 2022. 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.

17. 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	$853,499	
Disbursements for trade and tourism	$758,456	89% of tax receipts

18. 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 $30,357 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 wastepaper 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.

19. 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:

Year	Beginning of Year Claims Liability	Current Year Claims and Changes In Estimates	Claims Paid	End of Year Claims Liability
2022	$ 484,909	$ 3,093,462	$ 3,121,928	$ 456,443
2021	617,922	2,338,873	2,471,886	484,909
2020	552,724	2,212,335	2,147,137	617,922

19. Risk Management (continued)

General Liability and Workers' Compensation

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

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

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

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

20. Commitments and Contingencies

Commitments

As of the end of the current year, contractual commitments on uncompleted contracts totaled $5,461,696.

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.

21. New Accounting Pronouncements

The County implemented GASB Statement No. 87, *Leases*, effective for the County's current year. The requirements of this statement are effective for periods beginning after June 15, 2021. The beginning balance of right to use leased assets and related lease liabilities was established in the amount of $360,254. See Note 22 for this implementation's impact on net position.

22. Changes in Beginning Balances

Business-type Activities

Golf Course Fund

A prior period adjustment has been made to adjust the beginning balance of right to use leased assets and lease liabilities. This adjustment had no impact on beginning net position.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

2015 Special Purpose Local Option Sales Tax IV Fund – This fund is used to account for the proceeds of a 1 percent local option sales tax approved in 2015 for a period of time not to exceed six years for the purpose of financing long-term projects.

COMBINING STATEMENTS

Nonmajor Governmental Funds

UNION COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Special Revenue											Debt Service	Capital Projects	
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare	Drug Abuse	Juvenile Court	Mulitple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST IV	Total Nonmajor Governmental Funds
ASSETS														
Cash and cash equivalents	$ 75,228	$ 32,857	$ 21,452	$ 0	$ 31,033	$ 489,539	$ 24,240	$ 749,331	$ 17,625	$ 0	$ 585,961	$ 0	$ 11,197	$ 2,038,463
Receivables														
Accounts	0	0	0	46,720	2,180	0	0	0	0	0	0	0	0	48,900
Intergovernmental	0	0	0	0	0	0	0	182,773	0	64,241	0	0	0	247,014
Taxes	0	0	0	0	0	0	0	0	0	0	133,153	0	0	133,153
Prepaid items	0	0	0	824	0	0	0	0	0	0	0	0	0	824
Total assets	$ 75,228	$ 32,857	$ 21,452	$ 47,544	$ 33,213	$ 489,539	$ 24,240	$ 932,104	$ 17,625	$ 64,241	$ 719,114	$ 0	$ 11,197	$ 2,468,354
LIABILITIES AND FUND BALANCES														
Liabilities														
Accounts payable	$ 0	$ 0	$ 0	$ 555	$ 0	$ 0	$ 0	$ 90,033	$ 0	$ 17,185	$ 209,765	$ 0	$ 0	$ 317,538
Retainages payable	0	0	0	0	0	0	0	0	0	18,641	0	0	0	18,641
Accrued salaries	0	0	0	10,724	0	0	0	0	0	0	0	0	0	10,724
Due to other funds	0	0	0	0	0	0	0	0	0	28,415	0	0	0	28,415
Total liabilities	0	0	0	11,279	0	0	0	90,033	0	64,241	209,765	0	0	375,318
Fund balances														
Nonspendable:														
Prepaid items	0	0	0	824	0	0	0	0	0	0	0	0	0	824
Restricted for:														
Law library operations	75,228	0	0	0	0	0	0	0	0	0	0	0	0	75,228
Judicial activities	0	0	0	0	33,213	0	0	842,071	17,625	0	0	0	0	892,909
Public safety activities	0	32,857	21,452	0	0	489,539	24,240	0	0	0	0	0	0	568,088
LMIG projects	0	0	0	0	0	0	0	0	0	0	0	0	10,797	10,797
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	0	400	400
Assigned for:														
Emergency 911 system operations	0	0	0	35,441	0	0	0	0	0	0	0	0	0	35,441
Tourism	0	0	0	0	0	0	0	0	0	0	509,349	0	0	509,349
Total fund balances	75,228	32,857	21,452	36,265	33,213	489,539	24,240	842,071	17,625	0	509,349	0	11,197	2,093,036
Total liabilities and fund balances	$ 75,228	$ 32,857	$ 21,452	$ 47,544	$ 33,213	$ 489,539	$ 24,240	$ 932,104	$ 17,625	$ 64,241	$ 719,114	$ 0	$ 11,197	$ 2,468,354

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2022

	Special Revenue											Debt Service	Capital Projects	
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare	Drug Abuse	Juvenile Court	Multiple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST IV	Total Nonmajor Governmental Funds
REVENUES														
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 853,499	$ 0	$ 0	$ 853,499
Fines, fees and forfeitures	20,145	64,067	0	0	29,993	47,219	0	27,358	500	0	0	0	0	189,282
Charges for services	0	0	0	554,349	0	0	8,849	71,969	0	0	0	0	0	635,167
Intergovernmental	0	0	0	0	0	0	0	1,018,623	0	322,914	0	0	0	1,341,537
Interest	395	0	0	0	0	229	0	17	8	0	0	0	490	1,139
Contributions	0	0	9,521	0	0	0	0	0	0	0	0	0	0	9,521
Total revenues	20,540	64,067	9,521	554,349	29,993	47,448	8,849	1,117,967	508	322,914	853,499	0	490	3,030,145
EXPENDITURES														
Current														
Judicial	18,767	0	0	0	26,257	0	0	1,172,422	0	0	0	0	0	1,217,446
Public Safety	0	1,101,494	0	706,997	0	0	0	0	0	282,395	0	0	0	2,090,886
Housing and Development	0	0	0	0	0	0	0	0	0	0	758,456	0	0	758,456
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	0	308,881	308,881
Debt service	0	0	0	0	0	0	0	0	0	0	0	125	80,345	80,470
Total expenditures	18,767	1,101,494	0	706,997	26,257	0	0	1,172,422	0	282,395	758,456	125	389,226	4,456,139
Excess (deficiency) of revenues over (under) expenditures	1,773	(1,037,427)	9,521	(152,648)	3,736	47,448	8,849	(54,455)	508	40,519	95,043	(125)	(388,736)	(1,425,994)
Other financing sources (uses)														
Transfers in	0	0	0	169,303	0	0	0	0	0	0	0	8	81,500	250,811
Transfers out	0	0	0	0	0	0	0	0	0	(40,519)	0	0	(8)	(40,527)
Sale of capital assets	0	874,895	0	0	0	0	0	0	0	0	0	0	0	874,895
Total other financing sources (uses)	0	874,895	0	169,303	0	0	0	0	0	(40,519)	0	8	81,492	1,085,179
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,773	(162,532)	9,521	16,655	3,736	47,448	8,849	(54,455)	508	0	95,043	(117)	(307,244)	(340,815)
Fund balances, January 1	73,455	195,389	11,931	19,610	29,477	442,091	15,391	896,526	17,117	0	414,306	117	318,441	2,433,851
Fund balances, December 31	$ 75,228	$ 32,857	$ 21,452	$ 36,265	$ 33,213	$ 489,539	$ 24,240	$ 842,071	$ 17,625	$ 0	$ 509,349	$ 0	$ 11,197	$ 2,093,036

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 22,900	$ 20,145	$ (2,755)
Interest	100	395	295
Total revenues	23,000	20,540	(2,460)
EXPENDITURES			
Current			
Judicial			
Contract services	4,000	0	4,000
Materials and supplies	19,000	18,767	233
Total expenditures	23,000	18,767	4,233
Excess (deficiency) of revenues over (under) expenditures	0	1,773	1,773
Fund balance, January 1	0	73,455	73,455
Fund balance, December 31	$ 0	$ 75,228	$ 75,228

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 59,000	$ 64,067	$ 5,067
Interest	50	0	(50)
Total revenues	59,050	64,067	5,017
EXPENDITURES			
Current			
Public Safety			
Contract services	50	0	50
Materials and supplies	12,100	20,503	(8,403)
Capital outlay	1,072,950	1,080,554	(7,604)
Payments to others	16,900	437	16,463
Total expenditures	1,102,000	1,101,494	506
Excess (deficiency) of revenues over (under) expenditures	(1,042,950)	(1,037,427)	5,523
Other financing sources (uses)			
Sale of capital assets	1,042,950	874,895	(168,055)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(162,532)	(162,532)
Fund balance, January 1	0	195,389	195,389
Fund balance, December 31	$ 0	$ 32,857	$ 32,857

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 7,000	$ 9,521	$ 2,521
Total revenues	7,000	9,521	2,521
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	7,000	0	7,000
Total expenditures	7,000	0	7,000
Excess (deficiency) of revenues over (under) expenditures	0	9,521	9,521
Fund balance, January 1	0	11,931	11,931
Fund balance, December 31	$ 0	$ 21,452	$ 21,452

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 529,198	$ 554,349	$ 25,151
Total revenues	529,198	554,349	25,151
EXPENDITURES			
Current			
Public Safety			
Personal services	587,048	589,609	(2,561)
Contract services	141,450	102,978	38,472
Materials and supplies	14,200	14,410	(210)
Total expenditures	742,698	706,997	35,701
Excess (deficiency) of revenues over (under) expenditures	(213,500)	(152,648)	60,852
Other financing sources (uses)			
Transfers in (out)			
General Fund	213,500	169,303	(44,197)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	16,655	16,655
Fund balance, January 1	0	19,610	19,610
Fund balance, December 31	$ 0	$ 36,265	$ 36,265

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 27,000	$ 29,993	$ 2,993
Total revenues	27,000	29,993	2,993
EXPENDITURES			
Current			
Judicial			
Payments to others	27,000	26,257	743
Total expenditures	27,000	26,257	743
Excess (deficiency) of revenues over (under) expenditures	0	3,736	3,736
Fund balance, January 1	0	29,477	29,477
Fund balance, December 31	$ 0	$ 33,213	$ 33,213

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 20,800	$ 47,219	$ 26,419
Interest	200	229	29
Total revenues	21,000	47,448	26,448
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	47,448	47,448
Fund balance, January 1	0	442,091	442,091
Fund balance, December 31	$ 0	$ 489,539	$ 489,539

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 18,000	$ 8,849	$ (9,151)
Total revenues	18,000	8,849	(9,151)
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	8,849	8,849
Fund balance, January 1	0	15,391	15,391
Fund balance, December 31	$ 0	$ 24,240	$ 24,240

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 23,000	$ 27,358	$ 4,358
Charges for services	0	71,969	71,969
Intergovernmental	1,149,900	1,018,623	(131,277)
Interest	100	17	(83)
Total revenues	1,173,000	1,117,967	(55,033)
EXPENDITURES			
Current			
Judicial			
Contract services	1,149,900	1,142,422	7,478
Materials and supplies	100	0	100
Payments to others	23,000	30,000	(7,000)
Total expenditures	1,173,000	1,172,422	578
Excess (deficiency) of revenues over (under) expenditures	0	(54,455)	(54,455)
Fund balance, January 1	0	896,526	896,526
Fund balance, December 31	$ 0	$ 842,071	$ 842,071

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 495	$ 500	$ 5
Interest	5	8	3
Total revenues	500	508	8
EXPENDITURES			
Current			
Judicial			
Materials and supplies	500	0	500
Total expenditures	500	0	500
Excess (deficiency) of revenues over (under) expenditures	0	508	508
Fund balance, January 1	0	17,117	17,117
Fund balance, December 31	$ 0	$ 17,625	$ 17,625

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 83,000	$ 322,914	$ 239,914
Total revenues	83,000	322,914	239,914
EXPENDITURES			
Current			
Public Safety			
Personal services	0	15,900	(15,900)
Contract services	3,000	2,000	1,000
Materials and supplies	80,000	23,673	56,327
Capital outlay	500,000	240,822	259,178
Total expenditures	583,000	282,395	300,605
Excess (deficiency) of revenues over (under) expenditures	(500,000)	40,519	540,519
Other financing sources (uses)			
Transfers in (out)			
General Fund	500,000	(40,519)	(540,519)
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, 2022

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 759,000	$ 853,499	$ 94,499
Total revenues	759,000	853,499	94,499
EXPENDITURES			
Current			
Housing and Development			
Contract services	0	493	(493)
Payments to others	759,000	757,963	1,037
Total expenditures	759,000	758,456	544
Excess (deficiency) of revenues over (under) expenditures	0	95,043	95,043
Fund balance, January 1	0	414,306	414,306
Fund balance, December 31	$ 0	$ 509,349	$ 509,349

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, 2022

	Final Budget	Actual	Variance
REVENUE	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal	0	0	0
Interest	125	125	0
Total expenditures	125	125	0
Excess (deficiency) of revenues over (under) expenditures	(125)	(125)	0
Other financing sources (uses)			
Transfers in (out)			
SPLOST IV Fund	125	8	(117)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(117)	(117)
Fund balance, January 1	0	117	117
Fund balance, December 31	$ 0	$ 0	$ 0

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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, 2022

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ASSETS						
Cash and cash equivalents	$ 623,626	$ 25,947	$ 604,211	$ 46,798	$ 5,678	$ 1,306,260
Taxes receivable, net	1,647,984	0	0	0	0	1,647,984
Total assets	2,271,610	25,947	604,211	46,798	5,678	2,954,244
LIABILITIES						
Due to others	1,961,925	0	120,278	11,585	5,678	2,099,466
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 309,685	$ 25,947	$ 483,933	$ 35,213	$ 0	$ 854,778

UNION COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2022

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 23,877,446	$ 0	$ 0	$ 0	$ 0	$ 23,877,446
Court fees collected for other agencies	0	0	799,342	300,667	74,090	1,174,099
Court individual cases	0	0	939,948	391,617	0	1,331,565
Sheriff fees collected	0	182,900	0	0	0	182,900
Sheriff inmate account deposits	0	98,441	0	0	0	98,441
Total additions	23,877,446	281,341	1,739,290	692,284	74,090	26,664,451
DEDUCTIONS						
Taxes distributed to other agencies	23,617,979	0	0	0	0	23,617,979
Court fees distributed to other agencies	0	0	799,342	300,667	74,090	1,174,099
Payments to others	0	0	604,793	389,258	0	994,051
Sheriff fees distributed to other agencies	0	182,900	0	0	0	182,900
Payments from inmates to others	0	96,397	0	0	0	96,397
Total deductions	23,617,979	279,297	1,404,135	689,925	74,090	26,065,426
Change in net position	259,467	2,044	335,155	2,359	0	599,025
Net position, January 1	50,218	23,903	148,778	32,854	0	255,753
Net position, December 31	$ 309,685	$ 25,947	$ 483,933	$ 35,213	$ 0	$ 854,778

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SINGLE AUDIT SECTION

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

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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, 2022, 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 16, 2023. 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 to 2022-007 to be significant deficiencies.

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 in the accompanying schedule of findings and questioned costs. 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 16, 2023

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

Honorable Commissioner
Union County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Union County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Union County, Georgia's major federal programs for the year ended December 31, 2022. Union County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Union County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Union County, Georgia and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Union County, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Union County, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Union County, Georgia's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Union County, Georgia's compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, 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 Union County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Rushton, LLC

Gainesville, Georgia
June 16, 2023

UNION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2022

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Expenditures
Department of Agriculture			
Passed through the Georgia Forestry Commission:			
Cooperative Forestry Assistance	10.664	2021	$ 5,000
Forest Service Schools and Roads Cluster:			
Passed through the Georgia Office of State Treasurer:			
Schools and Roads - Grants to States	10.665	FY22	83,886
Passed through the Georgia Department of Natural Resources:			
Environmental Quality Incentives Program	10.912	GACD-02-20-009	12,001
Total Department of Agriculture			100,887
Department of Housing and Urban Development			
Passed through the Criminal Justice Coordinating Council:			
COVID-19 Emergency Solutions Grants Program	14.231	A50-8-001	11,405
		A52-8-002	1,014
Total Department of Housing and Urban Development			12,419
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	219,852
Fish and Wildlife Cluster:			
Passed through the Georgia Department of Natural Resources:			
Wildlife Restoration and Basic Hunter Education	15.611	F21AF01370	207,580
Total Department of the Interior			427,432
Department of Transportation			
Passed through the Georgia Department of Transportation:			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	T007191	19,888
		T007273	22,858
Total Department of Transportation			42,746

UNION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2022

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Expenditures
Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	$ 2,024,061
Passed through the Georgia Governor's Office of Planning and Budget:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2022_ARPA_01	150,104
		10234	15,600
			2,189,765
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	N/A	234,294
Total Department of the Treasury			2,424,059
Department of Health and Human Services			
Passed through the Criminal Justice Coordinating Council:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	E21-8-006	26,279
Total Federal Awards			$ 3,033,822

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Union County, Georgia, under programs for the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

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

3. De Minimis Indirect Cost Rate

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

4. Payments to Subrecipients

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

1. Summary of the Auditor's Results

A. Financial Statements

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

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2022-001

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

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

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

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

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

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

2022-002

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

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

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

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

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2022-002, continued

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

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

2022-003

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.

2022-004

Condition: While performing audit procedures at the Golf Course, we noted a lack of controls over the cash disbursement process. We noted checks written with cash as the payee and 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.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2022-004, continued

Cause: Checks were written with cash as the payee and employees as the payees.

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.

2022-005

Condition: While performing audit procedures at the Clerk of Courts, we were unable to sight approval for 17 of 20 (85%) 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.

2022-006

Condition: While performing audit procedures at the Clerk of Courts, we noted instances where deposits were not made timely. We noted 4 of 38 (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.

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2022-007

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.

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.

B. Prior Year Audit Findings Follow-Ups

None reported

3. Federal Award Findings and Questioned Costs

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

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STATE REPORTING SECTION

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

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2022

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	$ 5,591,416	$ 0	$ 5,591,416
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,536,792	2,051,337	0	2,051,337
Library Upgrades, Improvements, & Equipment	100,000	100,000	103,319	0	103,319
Public Safety Facilities, Vehicles & Equipment	1,000,000	2,736,383	3,396,432	80,345	3,476,777
Roads, Streets & Bridges	6,000,000	6,650,843	6,965,505	224,506	7,190,011
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	6,447,770	7,792,293	2,875	7,795,168
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	174,921	0	174,921
Economic Development Facilities & Land Acquisition	300,000	300,000	158,717	0	158,717
City of Blairsville	1,500,000	2,032,777	2,187,576	0	2,187,576
Total	$ 19,000,000	$ 25,593,088	$ 28,421,516	$ 307,726	$ 28,729,242
Transfers to SPLOST Debt Service Fund for sinking fund requirements				8	
Expenditures financed by other revenues and transfers from other funds: Roads, Streets & Bridges				81,500	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 389,234	

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2022

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	$ 143,487	$ 180,142	$ 323,629
Library Upgrades, Improvements, & Equipment	130,000	130,000	0	1,171	1,171
Public Safety Facilities, Vehicles & Equipment	5,000,000	5,006,500	676,573	7,758	684,331
Roads, Streets & Bridges	7,000,000	7,000,000	436,034	1,419,756	1,855,790
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	5,000,000	5,000,000	239,645	167,740	407,385
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	385,197	457,285	842,482
Economic Development Facilities & Land Acquisition	1,000,000	1,000,000	0	0	0
City of Blairsville	2,040,000	2,040,000	382,853	628,419	1,011,272
Total	$ 24,000,000	$ 24,006,500	$ 2,263,789	$ 2,862,271	$ 5,126,060
Expenditures financed by other revenues and transfers from other funds:					
Roads, Streets & Bridges				781,694	
Total SPLOST V Fund Expenditures and Transfers Out				$ 3,643,965	

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

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