

In the opinion of Bond Counsel, under existing laws, regulations, and judicial decisions, and assuming continued compliance with certain tax covenants, the interest on the Bonds is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See Appendix B hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of such opinion and certain other tax consequences of owning the Bonds, including certain exceptions to the exclusion of the interest on the Bonds from gross income, see "LEGAL MATTERS—Opinion of Bond Counsel" herein.

\$9,000,000
UPSON COUNTY, GEORGIA
General Obligation Transportation Sales Tax Bonds
Series 2024

Dated: Date of Issuance

Due: April 1, as shown below

Upson County, Georgia, a political subdivision of the State of Georgia (the "County"), is issuing its General Obligation Transportation Sales Tax Bonds, Series 2024 (the "Bonds") in fully registered form and in denominations of \$5,000 or any integral multiple thereof, for the purpose of (i) paying all or a portion of the costs of certain transportation capital outlay projects of the County, and (ii) paying costs associated with the issuance of the Bonds. See "PLAN OF FINANCING" herein.

The Bonds are direct and general obligations of the County. The principal of and interest on the Bonds are payable first from the proceeds of a one percent sales and use tax for transportation purposes (the "Transportation Sales Tax") imposed within the County. To the extent that the proceeds of the Transportation Sales Tax received by the County are insufficient to make such payments, the principal of and interest on the Bonds are payable from an ad valorem tax, unlimited as to rate or amount, to be levied upon all taxable property within the County subject to taxation for general obligation bond purposes. See "THE BONDS—Security and Sources of Payment for the Bonds," "TRANSPORTATION SALES TAX" and "COUNTY AD VALOREM TAXATION."

Interest on the Bonds is payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2024, by Synovus Bank, as Paying Agent and Bond Registrar. All Bonds bear interest from their date of issuance except as otherwise described herein. See "THE BONDS—Description" herein.

The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which payments of principal, premium, if any, and interest will be made. Purchasers will acquire beneficial interests in the Bonds in book-entry form only. DTC will remit such payments to its participants who will be responsible for remittance to beneficial owners. See "THE BONDS—Book-Entry Only System" herein.

The Bonds are not subject to redemption prior to maturity.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND YIELDS

<u>Maturity (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾</u>
2025	\$1,625,000	5.00%	2.880%	916762BA4
2026	1,710,000	5.00%	2.680%	916762BB2
2027	1,795,000	5.00%	2.660%	916762BC0
2028	1,885,000	5.00%	2.650%	916762BD8
2029	1,985,000	5.00%	2.640%	916762BE6

⁽¹⁾ CUSIP numbers are included solely for the convenience of the purchasers of the Bonds. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers are copyright 2024 by the American Bankers Association. The County takes no responsibility for the accuracy of the CUSIP numbers provided herein.

This cover page contains certain information for quick reference only. It is *not* a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered through competitive bidding on August 13, 2024 (the "Bid Date"). The County will receive bids until 10:30 a.m. eastern time on the Bid Date, as more fully set forth in the Official Notice of Sale. The Bonds are offered when, as, and if issued by the County, subject to prior sale, to the withdrawal or modification of the offer without notice, and subject to approval of legality by Smith, Gambrell & Russell LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the County by its counsel, English Law Group LLC, Thomaston, Georgia. Davenport & Company LLC, Atlanta, Georgia, is acting as the County's Financial Advisor. The Bonds are expected to be delivered through The Depository Trust Company in New York, New York, on or about August 29, 2024.

Dated: August 13, 2024

UPSON COUNTY, GEORGIA

ELECTED OFFICIALS

Board of Commissioners of Upson County

Norman Allen, *Chairman*
Lorenzo Wilder, *District 1*
James Ellington, *District 2*
Paul Jones, *District 3*
Benjamin Watson, *District 4*

APPOINTED OFFICIALS

Jason Tinsley, *County Manager*
H. Allen Salter, *Chief Financial Officer*
Jessica Jones, *County Clerk*

SPECIAL SERVICES

Counsel to the County

The English Law Group, LLC
Thomaston, Georgia

Bond and Disclosure Counsel

Smith, Gambrell & Russell, LLP
Atlanta, Georgia

Auditors

Nichols, Cauley & Associates, LLC
Dublin, Georgia

Financial Advisor

Davenport & Company LLC
Atlanta, Georgia

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General	1
The County	1
Purpose of the Bonds	1
Security and Sources of Payment for the Bonds	1
Description of the Bonds	2
Tax Exemption	2
Bond Registrar, Paying Agent and Sinking Fund Custodian	2
Professionals Involved in the Offering	2
Authority for Issuance	3
Offering and Delivery of the Bonds	3
Continuing Disclosure	3
Other Information	3
Estimated Sources and Applications of Funds	5
Transportation Projects	5
THE BONDS	6
Description	6
Non-Callable	6
Security and Sources of Payment for the Bonds	6
Enforcement of Remedies	6
Registration Provisions; Transfer and Exchange	7
Book-Entry Only System	7
Authority for Issuance	9
Disbursement and Investment of Bond Proceeds and Other Moneys	9
Principal and Interest Requirements	12
THE COUNTY	13
Introduction	13
County Administration and Officials	13
County Services	13
County Facilities	14
Economic Information	15
COUNTY DEBT STRUCTURE	20
Summary of County Debt Structure and Overlapping By Category	20
Tax Supported Debt Ratios	21
Potential Additional Debt	22
TRANSPORTATION SALES TAX	22
Description	22
Sales Subject to Taxation	23
Transportation Sales Tax Collections	23
Permitted Uses	23
Transportation Sales Tax Collection Data	24
Recent Sales Tax Legislation	24
COUNTY AD VALOREM TAXATION	24
Introduction	24
Property Subject to Taxation	24
Assessed Value	25

Annual Tax Levy	26
Property Tax Collections	26
Property Tax Millage Rates	27
Historical Property Tax Data	27
Conservation Use Property	28
Ten Largest Taxpayers	30
COUNTY FINANCIAL INFORMATION.....	30
Accounting Policies	30
Five-Year General Fund History	30
Budget and Results	32
Retirement Plans and Other Post-Employment Benefits	34
Insurance Coverage and Governmental Immunity	36
LEGAL MATTERS	37
Pending Litigation	37
Opinion of Bond Counsel	37
Validation Proceedings.....	39
Closing Certificates	39
MISCELLANEOUS	40
Rating	40
Competitive Sale	40
Financial Advisor	40
Independent Auditors	40
Continuing Disclosure	40
Additional Information.....	41
CERTIFICATION.....	42
APPENDIX A: FINANCIAL STATEMENTS OF THE COUNTY	A-1
APPENDIX B: FORM OF LEGAL OPINION	B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE.....	C-1

OFFICIAL STATEMENT

of

UPSON COUNTY, GEORGIA

relating to its

\$9,000,000

GENERAL OBLIGATION TRANSPORTATION SALES TAX BONDS SERIES 2024

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by Upson County, Georgia (the “County”) of \$9,000,000 in aggregate principal amount of its General Obligation Transportation Sales Tax Bonds, Series 2024 (the “Bonds”).

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.

The County

The County is a political subdivision of the State of Georgia (the “State”). The County is located in the west central portion of the State, approximately 68 miles south of Atlanta. The County had an estimated population of 28,263 in 2023. For more complete information, see “**THE COUNTY**” herein.

Purpose of the Bonds

The proceeds of the Bonds will be used for the purpose of paying (a) a portion of the costs of the County’s transportation capital outlay projects (the “TSPLOST Projects”) approved in the November 7, 2023 referendum (the “Election”), and (b) the costs of issuing the Bonds. For more complete information, see “**PLAN OF FINANCING**” herein.

Security and Sources of Payment for the Bonds

The Bonds are direct and general obligations of the County and are payable, as to both principal and interest, (1) first from the separate account in which are placed the proceeds received by the County from a special one percent sales and use tax for transportation purposes (the “Transportation Sales Tax”), and (2) second from the general funds of the County, including ad valorem taxes that may be levied, without limitation as to rate or amount, upon all taxable property located within the territorial limits of the County. For more complete and detailed information, see “**THE BONDS—Security and Sources of Payment for the Bonds,**” “**TRANSPORTATION SALES TAX,**” and “**COUNTY AD VALOREM TAXATION**” herein.

Description of the Bonds

Non-Callable. The Bonds are not subject to redemption prior to maturity.

Denominations. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry Bonds. Each of the Bonds will be issued as fully registered bonds in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. Purchases of beneficial interests in the Bonds will be made in book-entry only form (without certificates), in authorized denominations, and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered bonds of like principal amount and maturity in authorized denominations. For more complete information, see “**THE BONDS—Book-Entry Only System**” herein.

Payments. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year until maturity (each an “Interest Payment Date”), commencing October 1, 2024. Principal of the Bonds will be payable at the times and in the amounts shown on the front cover of this Official Statement. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of, premium, if any, and interest on the Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds.

For a more complete description of the Bonds, see “**THE BONDS**” herein.

Tax Exemption

In the opinion of Bond Counsel, under existing laws, regulations, and judicial decisions, and assuming continued compliance by the County with certain covenants in the Bond Resolution, interest on the Bonds is exempt from present State of Georgia income taxation, is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See Appendix B hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds. For a more complete discussion of such opinions and certain other tax consequences of owning the Bonds, including certain exceptions to the exclusion of the interest on the Bonds from gross income, see “**LEGAL MATTERS—Opinion of Bond Counsel**” herein.

Bond Registrar, Paying Agent and Sinking Fund Custodian

Synovus Bank will act as Bond Registrar and as Paying Agent for the Bonds. The corporate trust office of Synovus Bank is located at 800 Shades Creek Parkway-Suite 275, Birmingham, Alabama 35209. Synovus Bank will also act as Sinking Fund Custodian.

Professionals Involved in the Offering

Certain legal matters pertaining to the County and its authorization and issuance of the Bonds are subject to the approving opinion of Smith, Gambrell & Russell, LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel. Copies of such opinion will be available at the time of delivery of the Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix B. Certain legal matters will be passed on for the County by its counsel, The English Law Group, LLC, Thomaston, Georgia. Davenport & Company LLC, Atlanta, Georgia, has acted as financial advisor to the County. The basic financial statements of the County as of December 31, 2023 and for the year then ended, attached hereto as Appendix A, have been audited by Nichols, Cauley & Associates, LLC, Dublin, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon which appears in Appendix A hereto. See “**MISCELLANEOUS—Financial Advisor**” and “**MISCELLANEOUS—Independent Auditors**” herein.

Authority for Issuance

The Bonds are being issued in accordance with the Constitution of the State of Georgia and pursuant to the authority granted by the laws of the State of Georgia and resolutions of the Board of Commissioners of Upson County, Georgia (the “Board of Commissioners”) authorizing the issuance of the Bonds adopted on July 11, 2023 (the “Referendum Resolution”) and on or around August 13, 2024 (the “Bond Resolution”). The imposition of the Transportation Sales Tax and the issuance by the County of its general obligation bonds in a maximum aggregate principal amount of \$9,000,000 was approved by a majority vote of voters in the County voting in the Election. For more complete information, *see* “**THE BONDS—Authority for Issuance**” herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as, and if issued by the County, subject to prior sale and to withdrawal or modification of the offer without notice. The Bonds are expected to be available for delivery in book-entry form only through the facilities of DTC in New York, New York on or about August 29, 2024.

Continuing Disclosure

The County has covenanted in a Continuing Disclosure Certificate (the “Disclosure Certificate”) for the benefit of the beneficial owners of the Bonds to provide certain financial information and operating data relating to the County (the “Annual Report”) by not later than 270 days after the end of each fiscal year of the County, commencing with its fiscal year ending December 31, 2024, and to provide notices of the occurrence of certain enumerated events (the “Event Notices”) within 10 business days after the occurrence of each such event. The Annual Report and the Event Notices will be filed by the County with the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the Electronic Municipal Market Access (“EMMA”) system of the MSRB). *See* Appendix C for the form of the Disclosure Certificate. These covenants have been made in order to comply with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). *See also* “**MISCELLANEOUS—Continuing Disclosure**” herein for a description of the County’s prior undertakings under the Rule and instances of noncompliance with prior undertakings.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the County’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the County, the Bonds, the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. Copies of the Bond

Resolution, the Disclosure Certificate and other documents and information are available, upon request and upon payment to the County of a charge for copying, mailing and handling, from the County Clerk, Upson County, 106 E Lee Street, Suite 110, Thomaston, Georgia, 30286, telephone: (706) 647-7012.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or any state securities' agency. The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the County. Except where otherwise indicated, all information contained in this Official Statement has been provided by the County. The information set forth herein has been obtained by the County from sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by the County. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the County or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

The order and placement of information in this Official Statement, including the appendices, are not an indication of relevance, materiality, or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit, or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: <https://finpressllc.com>. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule"), and in effect on the date of this Official Statement, this document constitutes an Official Statement of the County with respect to the Bonds that has been deemed "final" by the County as of its date except for the omission of no more than the information permitted by the Rule.

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PLAN OF FINANCING

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Bonds are estimated below.

Estimated Sources of Funds:	
Par Amount of Bonds	\$ 9,000,000.00
Original Issue Premium	<u>\$ 537,345.10</u>
 Total Sources of Funds	 <u>\$ 9,537,345.10</u>
Estimated Applications of Funds:	
Transportation Projects ¹	\$ 9,278,154.43
Costs of Issuance ²	\$ 259,190.67
 Total Applications of Funds	 <u>\$ 9,537,345.10</u>

¹ See “**PLAN OF FINANCING—Transportation Projects**” herein.

² Includes legal and accounting fees, initial Bond Registrar’s and Paying Agent’s fees, Financial Advisor’s fees, rating agency fees, underwriter’s discount, printing costs, validation court costs and other costs of issuance.

Transportation Projects

Project Description. The County plans to use the proceeds of the Bonds to pay or to be applied toward the capital costs of the County projects authorized to be funded by the Election (collectively, the “TSPLOST Projects”), including road, street, and bridge purposes, including but not limited to: (i) acquisition of rights of way for roads, streets, bridges, sidewalks, and bicycle paths; (ii) construction of roads, streets, bridges, sidewalks, and bicycle paths; (iii) renovation and improvement of roads, streets, bridges, sidewalks, and bicycle paths, including resurfacing; (iv) relocation of utilities for roads, streets, bridges, sidewalks, and bicycle paths; (v) improvement of surface-water drainage from roads, streets, bridges, sidewalks, and bicycle paths; (vi) patching, leveling, milling, widening, shoulder preparation, culvert repair, and other repairs necessary for the preservation of roads, streets, bridges, sidewalks, and bicycle paths; (vii) roadside mowing; (viii) intersection improvements; (ix) road striping; (x) road signage; (xi) borrow pit materials used for constructing and maintaining roads, streets, bridges, sidewalks, and bicycle paths; (xii) a capital outlay project or projects consisting of any of the foregoing to be owned, operated, or administered by the state and located, in whole or in part, in Upson County; (xiii) equipment used for constructing and maintaining roads, streets, bridges, sidewalks, and bicycle paths; and (xiv) all accompanying infrastructure and services necessary to provide access to roads, streets, bridges, sidewalks, and bicycle paths.

Project Fund. The Bond Resolution establishes a construction fund (the “Project Fund”) which will be held by Synovus Bank, as bank custodian (the “Project Fund Custodian”). Net proceeds of the Bonds will be deposited into the Project Fund upon issuance of the Bonds. The County is authorized to request disbursements from the Project Fund to pay costs of the TSPLOST Projects. Amount on deposit in the Project Fund will be invested at the direction of the County as more fully described in “**THE BONDS—Disbursement and Investment of Bond Proceeds and Other Moneys**” herein.

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THE BONDS

Description

The Bonds, as initially issued, will be dated as of their date of issuance and delivery and will bear interest at the rates specified on the cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months, payable semiannually on each April 1 and October 1, commencing October 1, 2024. The Bonds will mature on the dates and in the amounts set forth on the cover page of this Official Statement. While the Bonds are in book-entry form, payment of the principal of and interest on the Bonds will be made by Synovus Bank, as Paying Agent, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, and will subsequently be disbursed to Direct Participants and thereafter to Beneficial Owners (as such terms are hereinafter defined) of the Bonds. When not in book-entry form, interest on the Bonds is payable by check or draft mailed on the Interest Payment Date to the registered owners thereof as shown on the books and records of the Bond Registrar on the 15th day of the calendar month next preceding the Interest Payment Date. When not in book-entry form, interest on the Bonds may be paid to any registered owner of more than \$1,000,000 in aggregate principal amount of bonds by wire transfer to such registered owner if written wire transfer instructions are given to the Paying Agent prior to the record date. When not in book-entry form, principal on the Bonds is payable when due upon surrender of the Bonds at the designated corporate trust office of Synovus Bank, as Paying Agent.

The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form, and purchasers will not receive certificates representing interests in the Bonds so purchased. If the book-entry system is discontinued, Bonds will be delivered as described in the Bond Resolution, and beneficial owners will become the registered owners of the Bonds. See “**THE BONDS—Book-Entry Only System**” herein.

Non-Callable

The Bonds are not subject to redemption prior to maturity.

Security and Sources of Payment for the Bonds

The Bonds will constitute valid and legally binding general obligations of the County, and the principal of and interest on the Bonds will be payable (1) first from the separate account in which are placed the proceeds received by the County from the Transportation Sales Tax, and (2) second from the general funds of the County, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the County, including real and personal property, privately owned utilities, motor vehicles, and mobile homes. Prior to the issuance of the Bonds, the Board of Commissioners, as required by law, will levy an ad valorem tax on all taxable property within the County in an amount sufficient to pay the principal of and interest on the Bonds as the same become due and payable, which tax shall be suspended and not collected for so long as the Transportation Sales Tax is sufficient to make such payments.

See “**COUNTY DEBT STRUCTURE**” herein for a discussion of the County’s outstanding debt and legal ability to incur future indebtedness. See “**TRANSPORTATION SALES TAX**” and “**COUNTY AD VALOREM TAXATION**” herein for a discussion of the Transportation Sales Tax and ad valorem taxation.

Enforcement of Remedies

The realization of value from the pledge of the taxing power of the County to the payment of the Bonds upon any default will depend upon the exercise of various remedies specified by Georgia law. These remedies may require judicial actions, which are often subject to discretion and delay, and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted to the extent applicable to the Bonds or the County.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no political subdivision created under the Constitution or laws of the State of Georgia shall be authorized to file a petition for relief from payment of

its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any political subdivision created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Registration Provisions; Transfer and Exchange

The Bonds will be issued in fully registered form. Ownership of the Bonds will be registered on the registration books of the County maintained by the Bond Registrar. When in book-entry form, ownership of the Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, may be registered as transferred or exchanged in accordance with the rules of DTC. See “**THE BONDS—Book-Entry Only System.**”

When not in book-entry form, ownership of any Bond may be registered as transferred upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar. Upon any such register of transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Bond or Bonds registered in the name of the transferee in any authorized denomination in the same aggregate principal amount, maturity, and interest rate as the Bonds surrendered for such transfer. When not in book-entry form, the Bonds may be exchanged for a like principal amount of Bonds of the same maturity and interest rate but of other authorized denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Bonds.

Book-Entry Only System

The Depository Trust Company (“DTC”), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal and redemption premium of and interest due on the Bonds will be payable directly to DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a

Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE COUNTY SHALL TREAT CEDE & CO. AS THE ONLY BONDHOLDER FOR ALL PURPOSES, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE COUNTY AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS. THE COUNTY HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND PREMIUM OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, since transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect Participants, and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Paying Agent as registered owners for purposes of the Bond Resolution, and Beneficial Owners will be permitted to exercise the rights of registered owners only indirectly through DTC and the Direct or Indirect Participants.

Authority for Issuance

Paragraph I(a) of Section V of Article IX of the Constitution of the State of Georgia provides (1) that no political subdivision may incur any new debt without the assent of a majority of the qualified voters of such political subdivision voting in an election held for that purpose as provided by law and (2) that the debt incurred by any political subdivision may never exceed 10 percent of the assessed value of all taxable property within such political subdivision. Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires a political subdivision, at or before the time of incurring bonded indebtedness, to provide for the assessment and collection of an annual tax sufficient in amount to pay the principal of and interest on the debt within 30 years from its incurrence.

The Bonds, in a maximum aggregate principal amount of \$9,000,000, were authorized to be issued pursuant to the Election, called under the Referendum Resolution, and the Bonds are being issued pursuant to the authority granted by (i) Article 5a of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, (ii) Article 1 of Chapter 82 of Title 36 of the Official Code of Georgia Annotated, and (iii) the Bond Resolution. The canvass of the election showed 1,010 “Yes” votes and 673 “No” votes, an approximately 60.01% approval rate by those who voted in the election.

Disbursement and Investment of Bond Proceeds and Other Moneys

The proceeds of the sale of the Bonds will be held by and under the control of the County and will be disbursed by the County, as the County desires, to pay the costs of issuing the Bonds and to pay the costs of the TSPLOST Projects described in “**PLAN OF FINANCING —Transportation Projects**” herein.

Section 36 82 7 of the Official Code of Georgia Annotated provides that the proceeds of the Bonds may be invested and reinvested by the governing authority of the County in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;

- (2) bonds or obligations of the County or bonds or obligations of the State of Georgia or other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (4) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations must have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
- (6) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds.
- (7) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:
 - (A) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in clause (3) and (4) above and repurchase agreements fully collateralized by any such obligations,
 - (B) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,
 - (C) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and
 - (D) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia;
- (8) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit,

repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement must permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

The portion of the certificates of deposit described in clause (6) above in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in clause (3) above, obligations of the agencies and instrumentalities of the United States government described in clause (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in clause (5) above.

In addition, Section 36-83-4(a)(1) of the Official Code of Georgia Annotated authorizes the governing authority of the County, or the financial officer of the County to whom investment authority is delegated, to invest and reinvest any money subject to its control and jurisdiction in:

- (1) obligations of the State of Georgia or of other states;
- (2) obligations issued by the United States government;
- (3) obligations fully insured or guaranteed by the United States government or a United States government agency;
- (4) obligations of any corporation of the United States government;
- (5) prime bankers' acceptances;
- (6) the local government investment pool established by Section 36-83-8 of the Official Code of Georgia Annotated;
- (7) repurchase agreements; and
- (8) obligations of other political subdivisions of the State of Georgia.

Paragraph VI of Section V of Article IX of the Constitution of the State of Georgia requires the proceeds of the tax assessed and collected to pay the principal of and interest on the Bonds, together with any other moneys collected for this purpose, to be placed in a sinking fund to be used exclusively for paying the principal of and interest on the Bonds and to be held and kept separate and apart from all other revenues collected by the County.

Section 36-80-3 of the Official Code of Georgia Annotated provides that the governing body of the County, or the financial officer of the County to whom investment authority is delegated pursuant to Section 36-80-4 of the Official Code of Georgia Annotated, may invest and reinvest money subject to its control and jurisdiction in:

- (1) obligations of the United States and of its agencies and instrumentalities;
- (2) bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities; and
- (3) certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Section 45-8-14 of the Official Code of Georgia Annotated provides that the Board of Commissioners shall designate one or more solvent banks, insured federal savings and loan associations, or insured state chartered building and loan associations as depositories of moneys belonging to the County. Section 45-8-12 of the Official Code of Georgia Annotated prohibits the County from having on deposit at any one time in any depository for a time longer than ten days a sum of money which has not been secured by a surety bond, by federal deposit insurance, or by pledged securities, with a market value of not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. Section 45-8-11 of the Official Code of Georgia Annotated allows the Finance Officer of the County, in his or her discretion, to waive the requirement for security in the case of operating funds placed in demand deposit checking accounts.

The County presently deposits its general funds with Synovus Bank. The County will deposit the proceeds of the sale of the Bonds with Synovus Bank, the Project Fund Custodian in a separate account. The County may, in its discretion, but subject to the provisions of Georgia law described in the above paragraph, deposit these funds with other financial institutions.

Principal and Interest Requirements

Set forth below are the principal and interest payment requirements with respect to the Bonds for the years shown below.

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2024	\$ 0	\$ 40,000	\$ 40,000
2025	1,625,000	409,375	2,034,375
2026	1,710,000	326,000	2,036,000
2027	1,795,000	238,375	2,033,375
2028	1,885,000	146,375	2,031,375
2029	1,985,000	49,625	2,034,625
TOTALS	<u>\$9,000,000</u>	<u>\$1,209,750</u>	<u>\$10,209,750</u>

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THE COUNTY

Introduction

The County, a political subdivision of the State, was incorporated in 1824 and is located in the west central portion of the State. The County is approximately 68 miles south of Atlanta. The County has an area of approximately 333 square miles, ranked 84th in size among Georgia's 159 counties. The County had a 2023 estimated population of 28,263. Thomaston is the County seat. There are two municipalities within the County, Thomaston and Yatesville.

County Administration and Officials

Board of Commissioners. The County is governed by the Board of Commissioners ("Board of Commissioners") consisting of five members who are elected to serve staggered terms of four years. The Chairman is elected at large. The remaining four commissioners are elected by district. The daily operations of the County are under the direction of the County Manager, who is appointed by the Board of Commissioners.

Information concerning the current Board of Commissioners is set forth below:

<u>Name and Office Held</u>	<u>Expiration of Term</u>	<u>Principal Occupation</u>
Norman Allen, <i>Chairman</i>	December 31, 2024	Retired Command Master Chief, U.S. Navy
Lorenzo Wilder, <i>District 1</i>	December 31, 2024	Retired Deputy Director of Precision Electronics, Robins AFB
James Ellington, <i>District 2</i>	December 31, 2024	General Manager, John Deere
Paul Jones, <i>District 3</i>	December 31, 2026	Retired Facilities Director, The Rock Ranch
Benjamin Watson, <i>District 4</i>	December 31, 2026	Vice President, Development, MPA Developments LLC

County Manager. The County employs a Manager who is responsible for the overall operation of the County. W. Jason Tinsley, who is currently serving as County Manager, has held that post since September 12, 2018. Mr. Tinsley served as County Manager for Marion County, Georgia, prior to accepting the post of County Manager of Upson County, and has 18 years of management experience in local government. Mr. Tinsley received his bachelor's degree in political science from East Tennessee State University, and his master's degree in city management, also from East Tennessee State.

Chief Financial Officer & Director of Internal Services. Allen Salter currently serves as the Chief Financial Officer & Director of Internal Services for the County. Mr. Salter served 12 years with the United States Air Force, separating in 1996 to continue his post-secondary education. Mr. Salter completed his Bachelor and Master of Accountancy at The University of Mississippi in 1998 and entered his professional accounting career with PricewaterhouseCoopers within the assurance and audit practice. Over the past 25 years, Mr. Salter has served various roles in both public accounting and in industry, within the banking and real estate industries and within government and higher education. His experiences over the past nine years include serving as CFO in two public company bank holding companies, controller within the University System of Georgia and Director of Financial Reporting and Special Projects for the Upson County Board of Commissioners. Mr. Salter is a Certified Public Accountant licensed in September 2001.

Clerk of the Board of Commissioners. Jessica Jones has served as Clerk of the Board of Commissioners since January 1, 2014.

County Services

The County provides a full range of local government services including, but not limited to, the following: law enforcement, pretrial detention, planning, zoning, code enforcement, building inspection, parks, recreational programs, fire protection, emergency medical services (EMS), solid waste collection, solid waste disposal, court services, and utility services that include water and wastewater. All services except for solid waste and utility services are paid primarily through tax revenue. EMS, utility and solid waste services are paid by user fees. The citizens of

the County have not experienced any significant service interruptions during the last ten years. The County is also responsible for enforcing local ordinances and maintaining all county facilities and buildings.

County Facilities

The County Offices are located at The Upson County Government Complex which includes Finance, Administration, and Information Systems, as well as the Probate Court, Economic Development Office, Magistrate Court, Registrar’s Office, and Office of Public Buildings. Other County owned buildings and grounds are as follows: Animal Shelter; Government Administration; Archives; Civic Center; Counseling Center/Mental Health; Courthouse; Emergency Management; Health Department; Library; Roads Department; Senior Center; Sheriff’s Office and Detention Center; Sprewell Bluff and Community Parks; Narcotics Task Force; Water Department.

Employees, Employee Relations and Labor Organizations

The County employed 267 persons in all departments of government as of June 30, 2024, 218 full-time and 49 part-time and temporary. No employees of the County are represented by labor organizations or are covered by collective bargaining agreements, and the County is not aware of any union organizing efforts at the present time. The County believes that employee relations are good.

Demographic Information

Population. Set forth below are the population estimates of the County and the State of Georgia for the years 2019 through 2023.

<u>Year</u>	<u>County</u>	<u>State</u>
2019	26,236	10,403,847
2020	26,329	10,516,579
2021	27,424	10,625,615
2022	27,638	10,722,325
2023	28,263	11,029,227

Source: U.S. Census Bureau, 2019-2022 American Community Survey 5-Year Estimates; U.S. Census Bureau, Population Estimates as of July 1, 2023.

Population by Age. The estimated median age of the County for the calendar year 2022 (the most recent information available) was 41.5 years. The following table presents the estimated population by age for the County for the calendar year 2022 (the most recent information available).

<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
24.9%	30.6%	26.2%	18.2%

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.

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Level of Education. The following table presents the estimated level of education of the population 25 years and over for the County for the calendar year 2022 (the most recent information available).

Less than 9 th grade	4.7%
9 th to 12 th grade, no diploma	10.9%
High school graduate (including equivalency)	37.8%
Some college, no degree	21.3%
Associate degree	9.9%
Bachelor's degree	9.8%
Graduate or Professional degree	<u>5.5%</u>
Percent high school graduate or higher	84.4%
Percent bachelor's degree or higher	15.4%

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.

Commuting Characteristics. The following table presents the estimated percentages of the County's population employed at jobs located within the County and those employed at jobs located outside of the County for calendar year 2022 (the most recent information available).

Inside the County	61.4%
Outside the County	38.7%

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the County.

Per Capita Personal Income. The following chart sets forth the per capita personal income for the County, the State of Georgia and the United States for the years 2018 through 2022 (the most recent information available for the County).

<u>Year</u>	<u>County</u>	<u>Georgia</u>	<u>United States</u>
2018	\$33,542	\$46,626	\$53,309
2019	35,346	48,535	55,547
2020	37,311	51,456	59,151
2021	41,489	56,172	64,427
2022	41,014	56,588	65,473

Source: U.S. Bureau of Economic Analysis, GDP and Personal Income.

Poverty Levels. The following table reflects an estimate of the percentage of all people in the County and the State with incomes lower than the poverty level for 2022 (the most recent information available).

<u>County</u>	<u>State</u>
22.4%	13.5%

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.

Household Income Distribution. The following table reflects the estimated income and benefits (in 2022 inflation-adjusted dollars) of all households in the County for the calendar year 2022 (the most recent information available).

<u>Income</u>	<u>Percent of Population</u>
Less than \$10,000	7.4%
\$10,000 to \$14,999	9.9
\$15,000 to \$24,999	10.9
\$25,000 to \$34,999	10.0
\$35,000 to \$49,999	12.4
\$50,000 to \$74,999	15.1
\$75,000 to \$99,999	12.0
\$100,000 to \$149,999	12.5
\$150,000 to \$199,999	5.7
\$200,000 or more	<u>4.2</u>

Source: U.S. Census Bureau, 2022 American Community Survey 5-Year Estimates.

Median Home Values. The following table reflects the median home value of owner-occupied housing for the County, the State and the United States for the years 2018 through 2022 (the most recent information available for the County).

<u>Year</u>	<u>County</u>	<u>State of Georgia</u>	<u>United States</u>
2018	\$87,200	\$166,800	\$204,900
2019	93,300	176,000	217,500
2020	102,800	190,200	229,800
2021	115,100	206,700	244,900
2022	136,500	245,900	281,900

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2018-2022.

Building Permits. The following table reflects the number and aggregate dollar value of commercial and residential building permits issued in the County for the last five full fiscal years. Permits are categorized between commercial and residential, with each category including new construction, additions and improvements. The dollar value is based on an estimate of the value of the new construction or alteration submitted by the permit applicant. For presentation purposes, permits issued for mobile homes, single family homes and multifamily homes are included in the residential totals.

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Total</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2019	258	10,758,367	15	3,004,470	273	13,762,837
2020	316	18,648,111	22	2,880,368	338	21,528,479
2021	449	21,362,103	14	478,596	463	21,840,699
2022	420	26,753,988	0	0	420	26,753,988
2023	463	88,022,508	2	22,002,500	465	110,025,008

Source: Upson County Building and Zoning Department.

Banking Deposits. The following table shows the number of banking institutions and banking deposits located in the County for the years ending June 30, 2019 through June 30, 2023. As of June 30, 2023, there were 4 financial institutions with a total of 6 branch offices located in the County.

<u>Year</u>	<u>Institutions</u>	<u>Total Deposits (in thousands) As of June 30</u>
2019	4	\$362,894
2020	4	421,930
2021	4	441,826
2022	4	481,322
2023	4	461,681

Source: Federal Deposit Insurance Corporation.

Largest Employers. Set forth below are the ten largest employers located in the County as of June 30, 2024 (the most recent information available), and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

<u>Employer</u>	<u>Employees</u>
Upson Regional Medical Center	700
Thomaston-Upson School System	652
Quad Graphics	325
Georgia Department of Transportation	215
Upson County Government	205
Tidal Wave	160
Interfor	155
Standard Textiles	125
DART Container	115
Ranews Trucking	115

Source: Upson County records.

Labor Statistics. Set forth below are labor statistics for the County, the State and the United States for the past five calendar years. The total civilian labor force (not seasonally adjusted) for the County in March 2024 was 11,813, and the unemployment rate was 3.4% (preliminary). The unemployment rates for the State and the United States in March 2024 were 3.2% and 3.9%, respectively (preliminary).

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
County Labor Force	11,458	11,375	11,549	11,644	11,634
County Unemployment Rate	3.7%	6.5%	4.1%	3.3%	3.5%
State Unemployment Rate	3.6	6.5	3.9	3.1	3.2
United States Unemployment Rate	3.7	8.1	5.3	3.6	3.6

Source: Georgia Department of Labor, Workforce Statistics & Economic Research, Local Area Unemployment Statistics Unit.

Industry Mix. The following table shows the industry mix for the County as of the third quarter of 2023, the last information available. The table is intended to provide information regarding the types of industries employing residents of the County and the compensation paid to those employees. The table does not provide information with respect to all industries and firms. It is based upon and includes only those industries and firms that participate in the State Unemployment Insurance Program.

<u>Industry</u> ¹	<u>Number of Firms</u>	<u>Average Monthly Employment</u>	<u>Average Weekly Wages</u> ²
Goods Producing:	58	1,183	1,064
Agriculture, Forestry, Fishing	6	5	719
Mining, Quarrying, Oil and Gas Extraction	1	##	##
Construction	35	186	1,207
Manufacturing	16	989	1,039
Service Producing:	389	4,160	778
Utilities	4	51	1,097
Wholesale Trade	4	34	1,686
Retail Trade	86	1,002	551
Transportation and Warehousing	13	70	865
Information	7	56	1,004
Finance and Insurance	27	137	1,141
Real Estate and Rental and Leasing	15	35	668
Professional, Scientific & Technical Services	35	102	1,506
Management of Companies and Enterprises	0	0	0
Administrative & Support and Waste Management & Remediation Services	34	215	647
Educational Services	4	12	239
Health Care and Social Assistance	58	1,441	1,067
Arts, Entertainment, and Recreation	6	54	519
Accommodation and Food Services	54	760	339
Other Services (except public administration)	42	191	820
Unclassified, industry not assigned	69	39	822
Total – Private Sector	516	5,382	842
Total – Government	32	1,448	853
Federal Government	2	37	1,317
State Government	15	363	812
Local Government	15	1,048	851
ALL INDUSTRIES ³	<u>548</u>	<u>6,830</u>	<u>844</u>

Indicates confidential information that was not released.

¹ These data use the North American Industrial Classification System (NAICS) categories.

² Average weekly wage is derived by dividing gross payroll dollars paid to all employees – both hourly and salaried – by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures.

³ Figures in other columns may not sum accurately due to rounding.

Source: Georgia Department of Labor.

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Category of Land Use. The following table reflects the categories of land use, and the corresponding values of such land, in the County for the calendar year 2023.

<u>Land Type</u>	<u>Percentage by Acreage</u> ¹	<u>Percentage of Tax Digest</u> ²
Residential	8.64%	56.96%
Agriculture	12.73	13.38
Conservation Use ³	44.69	11.41
Forest Land Conservation Use	27.38	3.71
Commercial	0.80	14.61
Industrial	0.72	14.60
Utility	Less than 0.01	5.12
Timber	5.07	0.35

¹ Percentages are based on the number of acres of real property set aside for each purpose. The total acreage of all real property subject to ad valorem taxation located in the County is approximately 202,565.3 acres.

² Percentages are based on the assessed values set forth in the County’s calendar year 2023 consolidated digest. Amounts do not add up to 100 percent, reflecting the exclusion of personal property such as motor vehicles, mobile homes and heavy equipment from this table. *See* “COUNTY AD VALOREM TAXATION—Historical Property Tax Data.”

³ A large portion of the real property subject to ad valorem taxation location within the County is set aside for Conservation Use. *See* “COUNTY AD VALOREM TAXATION—Conservation Use Property.”

Source: Georgia Department of Revenue Consolidated Digest Summary, 2023.

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COUNTY DEBT STRUCTURE

Summary of County Debt Structure and Overlapping By Category

Set forth below is information concerning the outstanding tax supported debt of the County and certain overlapping governmental entities as of December 31, 2023, assuming the issuance of the Bonds. The information set forth below should be read in conjunction with the County's financial statements included as Appendix A hereto.

In addition to the County's debt obligations, property owners in the County are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of the County overlaps with such entities. Set forth below is the estimated overlapping general obligation debt and estimated overlapping property tax supported or guaranteed revenue debt of the County as of December 31, 2023. Although the County has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness or accuracy, as there is no central reporting entity that has this information available, and the amounts are based on information supplied by others.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>
Direct Debt:	
General Obligation Bonds ¹	\$10,230,000
GEFA Loans ²	692,072
Capital Leases ³	89,873
Intergovernmental Contracts ^{4, 5}	22,257,883
Total Direct Debt	33,269,828
Overlapping:	
City of Thomaston ^{6,7}	\$ 2,515,000
Total Direct and Overlapping Debt	\$ 35,784,828

¹ Assumes the Bonds are issued, and represents general obligations of the County to which its full faith and credit and taxing power are pledged.

² GEFA loans are general obligations of the County to which its full faith and credit and taxing power are pledged. These obligations do not constitute debt of the County for purposes of the constitutional debt limits described in "COUNTY DEBT STRUCTURE - Limitations on Upson County Debt" herein. These loans are expected to be paid with moneys derived from the operation of the County's water and sewer system.

³ The financial obligations of the County under capital leases do not constitute debt of the County to which its faith and credit or taxing power are pledged, but are subject to and dependent upon lawful appropriations of general revenues being made by the County to pay the lease payments due in each fiscal year under the leases. These obligations do not constitute debt of the County for purposes of the constitutional debt limit described in "COUNTY DEBT STRUCTURE - Limitations on Upson County Debt" herein.

⁴ Includes the Thomaston-Upson County Office Building Authority Revenue Bonds (Upson County Refunding), Series 2019, outstanding in a principal amount of \$1,802,882.78 as of December 31, 2023, and the Thomaston-Upson County Office Building Authority Revenue Bonds (Upson County Project), Series 2022, outstanding in a principal amount of \$20,455,000 as of December 31, 2023. Does not include two issues of revenue certificates issued by the Hospital Authority of Upson County, outstanding in the aggregate principal amount of \$1,140,000

as of December 31, 2023, which amounts have been paid in full as of the date hereof.

- ⁵ Intergovernmental Contracts under Georgia law do not constitute debt but are binding obligations of the County to make payments to which its full faith and credit and taxing power are pledged.
- ⁶ Includes the Thomaston-Upson County Office Building Authority Revenue Bonds (Fire Station Project), Series 2020, outstanding in a principal amount of \$2,515,000 as of December 31, 2023.
- ⁷ Intergovernmental Contracts under Georgia law do not constitute debt but are binding obligations of the City to make payments to which its full faith and credit and taxing power are pledged.

There has never been a default in payment of the principal of or interest on any general obligation bonds issued by the County.

Tax Supported Debt Ratios

The following table sets forth certain tax-supported debt ratios assuming the issuance of the Bonds.

	<u>Direct Debt</u>	<u>Overlapping Debt</u>	<u>Total Tax Supported Debt</u>
Per Capita Debt ¹	\$1,177	\$89	\$1,266
Percentage of Gross Tax Digest ²	3.05%	0.23%	3.28%
Percentage of Estimated Fair Market Value ³	1.22%	0.09%	1.31%
Per Capita Debt as Percentage of Per Capita Income ⁴	2.87%	0.22%	3.09%

- ¹ Based upon 2023 estimated population figure of 28,263.
- ² Based upon 2023 Gross Tax Digest of \$1,092,251,387.
- ³ Based on 2023 estimated actual fair market value of Gross Tax Digest of \$2,730,628,468.
- ⁴ Based upon 2022 per capita income figure of \$41,014.

Limitations on County Debt

General Obligation Debt. The Constitution of the State of Georgia provides that the County and the other governmental entities within the County may not incur long-term obligations payable out of general property taxes without the approval of a majority of the qualified voters of such governmental entity voting at an election called to approve the obligations. In addition, under the Constitution of the State of Georgia, the County and the other governmental entities within the County may not incur long-term obligations payable out of general property taxes in excess of ten percent of the assessed value of all taxable property within such governmental entity.

As computed in the table below, based upon its 2023 assessed value and assuming the issuance of the Bonds, the County could incur (upon necessary voter approval) approximately \$79,537,208 of additional general obligation bonds.

Computation of Legal Debt Margin

2023 Net M&O/Gross Tax Digest ¹	\$897,672,081
Debt Limit (10 percent of Assessed Value)	89,767,208
Amount of Debt Applicable to Debt Limit	<u>10,230,000</u>
Legal Debt Margin	<u>\$79,537,208</u>

¹ The net bond digest was not calculated for 2023. The net bond digest would be not less than the net M&O digest; therefore, if the net bond digest was used to calculate the legal debt margin, the legal debt margin may be greater.

Other Debt. Short-term obligations (those payable within the same calendar year in which they are incurred), lease and installment purchase obligations subject to annual appropriation, and intergovernmental obligations are not

subject to the legal limitations described above. However, lease and installment purchase obligations are subject to certain limitations as described below.

Georgia law provides that no lease or installment purchase contract subject to annual appropriation may be delivered if the principal portion of such contract, when added to the amount of debt subject to the debt limitation described above, exceeds 10 percent of the assessed value of all taxable property within the County. Georgia law also provides that no lease or installment purchase contract subject to annual appropriation with respect to real property (with certain exceptions including projects previously approved in the most recent referendum for the County Special Purpose Local Option Sales Tax) may be developed and executed or renewed, refinanced or restructured if either of the following is exceeded:

- (a) the average annual payments on the aggregate of all such outstanding contracts exceed 7.5 percent of the governmental fund revenues of the County for the calendar year preceding the delivery of such contract plus any available special County one percent sales tax proceeds collected; or
- (b) the outstanding principal balance on the aggregate of all such outstanding contracts exceeds \$25 million.

Potential Additional Debt

The Hospital Authority of Upson County (the “Hospital Authority”) and the Upson County Regional Medical Center (the “Hospital”) requested that the County guarantee, pursuant to an intergovernmental contract with the Hospital Authority, approximately \$35,000,000 of indebtedness proposed to be issued by the Hospital Authority. On June 11, 2024, the Board of Commissioners of the County adopted resolutions authorizing County staff to engage in discussions and negotiations with the Hospital Authority and the Hospital with respect to the request.

TRANSPORTATION SALES TAX

Description

Georgia law authorizes the governing authority of certain counties in the State of Georgia, including the County, by resolution to impose within the special district coterminous with its boundaries a special sales and use tax, to be known as the transportation special purpose local option sales and use tax, at the rate of up to one percent and for a limited period of time up to five years, conditioned upon approval by a majority of the qualified voters voting in a referendum thereon. The resolution calling for the imposition of the tax, however, must state the approximate cost of the transportation purposes to be funded by the tax, and the tax will terminate as of the end of the calendar quarter during which the Revenue Commissioner of the State of Georgia (the “Revenue Commissioner”) determines that the tax will have raised revenues equal to or greater than such maximum amount; provided, however, that, if an appropriate intergovernmental agreement has been entered into, the tax shall cease to be imposed on the final day of the maximum period of time specified for the imposition of the tax in the resolution.

The Transportation Sales Tax was authorized to be imposed at the rate of one percent to raise an estimated amount of \$25,585,001 for a period of time of five years, pursuant to an election in the County held on November 7, 2023, called under a resolution adopted by the Board of Commissioners on November 7, 2023. The canvass of the election showed 1,010 “Yes” votes and 673 “No” votes, an approximately 60.01% approval rate by those who voted in the election.

The Transportation Sales Tax began to be collected January 1, 2024, and will continue to be collected for a period of five years.

The transportation purposes to be funded with the Transportation Sales Tax and the distribution of the proceeds of the tax are governed by a Transportation Special Purpose Local Option Sales and Use Tax Intergovernmental Contract, dated June 27, 2023 (the “Intergovernmental Contract”), among the County, the City of Thomaston, Georgia and the City of Yatesville, Georgia. Pursuant to the Intergovernmental Contract and the Bond Resolution, the net proceeds of the Transportation Sales Tax received by the County in any bond year shall first be

used to satisfy the debt service requirements on the Bonds for such bond year (such date, each bond year, being referred to as the "Bond Satisfaction Date"). Receipts in excess of the amounts needed for debt service will be disbursed among the County and the Cities as follows:

(1) A disbursement in the amount of \$220,000 will be made to Yatesville from the first Transportation Sales Tax proceeds, except if the Bonds are issued and outstanding, such disbursement will be made within 60 days after the Bond Satisfaction Date for the applicable bond year. In the event there are insufficient funds lawfully available from the Transportation Sales Tax to pay such amount when due, the amount of the deficiency shall be paid when such proceeds are lawfully available after any Bond Satisfaction Date and prior to any other disbursement to the County or to Thomaston.

(2) After payment to Yatesville of the \$220,000 as described in paragraph (1) above, and after any applicable Bond Satisfaction Date, all remaining Transportation Sales Tax proceeds collected, when available, shall be apportioned between the County at 59.25% and Thomaston at 40.75%. If, at the time for payment of any installment of such proceeds, the County, by virtue of deposits to the debt service fund for the Bonds made as described above is deemed to have received (including amounts set aside for payment of debt service on the Bonds) greater than 59.25% of the proceeds to be distributed as described in this paragraph (2), the next lawfully available proceeds after the applicable Bond Satisfaction Date shall be disbursed to Thomaston until the County's percentage of the proceeds to be distributed as described in this paragraph (2) and received or deemed received by the County, is reduced to 59.25%.

The Revenue Commissioner will remit monthly receipts of the Transportation Sales Tax, representing collections from the second immediately preceding month, to the County. The County will then disburse to Thomaston and Yatesville their portions of the monthly receipts, if any, in accordance with the Intergovernmental Contract.

Sales Subject to Taxation

The Transportation Sales Tax will be imposed on the retail purchase, retail sale, rental, storage, use or consumption of tangible personal property and on services within the County, subject to numerous exemptions, including sales to certain governmental entities and to certain non-profit organizations, professional, insurance and personal service transactions, sales of certain agricultural products, sales to and by certain agricultural enterprises, sales of certain types of manufacturing equipment, the sale or use of certain types of industrial materials, and sales of prescription drugs, certain medical devices and equipment and lottery tickets.

Transportation Sales Tax Collections

The Transportation Sales Tax will be generally imposed on the purchaser of tangible personal property or services and will be generally collected by the seller of tangible personal property or services from the purchaser at the time of sale. Sellers of tangible personal property or services will be generally required to file tax returns with the Revenue Commissioner on or before the 20th day of each month, showing taxable sales during the preceding calendar month, and to remit the Transportation Sales Tax shown due on the return with the return.

Permitted Uses

Georgia law provides that the Transportation Sales Tax shall be exclusively administered and collected by the Revenue Commissioner for the use and benefit of the County. The proceeds of the Transportation Sales Tax collected by the Revenue Commissioner must be disbursed to the County as soon as practicable after collection, after deducting one percent of the amount collected for the state treasury in order to defray the costs of administration.

Georgia law provides that the proceeds received by the County from the Transportation Sales Tax shall be used by the County exclusively for the purpose or purposes specified in the resolution calling for imposition of the Transportation Sales Tax. Such proceeds are required by Georgia law to be kept in a separate account from other funds of the County and may not in any manner be commingled with other funds of the County prior to expenditure. Georgia law provides that no part of the net proceeds from the Transportation Sales Tax received in any year may be used for transportation purposes until all debt service requirements on the Bonds for that year have first been satisfied from the account in which the proceeds of the Transportation Sales Tax are placed.

Transportation Sales Tax Collection Data

The following table lists the tax revenues of the County from the Transportation Sales Tax within the County for calendar years 2019 to 2023.

<u>Year Ended December 31</u>	<u>Sales Tax Collections</u>
2023	\$4,820,688
2022	\$3,477,144
2021	\$3,971,234
2020	\$3,477,144
2019 ¹	\$1,129,147

¹ Represents collections from July 1, 2019, to December 31, 2019.

Source: Upson County Records.

The historic Transportation Sales Tax collections should not be considered to be indicative of future results that may be obtained by the County from Transportation Sales Tax. Although management believes that future collections of the Transportation Sales Tax will be comparable to the historic collections of Transportation Sales Tax set forth above, certain of the assumptions that management is presently relying upon may not materialize, and unanticipated events and circumstances, such as a recession, may occur that may adversely affect such results.

Recent Sales Tax Legislation

On May 4, 2015, the Governor of Georgia signed into law House Bill 170 (the “Transportation Funding Act”), which became effective July 1, 2015. The law eliminated the then current State sales tax on gasoline and diesel and imposes a new per-gallon excise tax on motor fuel (the “Excise Tax”). The Excise Tax is subject to annual adjustments to account for inflation and the increasing fuel efficiency of new vehicles (which will be tied to increases in the Corporate Average Fuel Economy standard and the National Highway and Construction Cost index) and will initially be imposed at the rate of 26 cents per gallon for gasoline and 29 cents per gallon for diesel. Proceeds of the Excise Tax would be required to be spent on transportation-related projects. The Transportation Funding Act generally allows local governments to continue to collect local sales and use tax, special purpose local option sales tax, sales tax for educational purposes, homestead option sales tax, and municipal optional sales tax, if any, at the current 1% rate on the sale of motor fuel. However, if the retail price of motor fuel rises about \$3.00 per gallon, any increase above \$3.00 will not be subject to such 1% rate of tax.

COUNTY AD VALOREM TAXATION

Introduction

An important source of revenue to fund the operations of the County is ad valorem property taxes. Ad valorem property taxes are levied annually in mills (one tenth of one percent) upon each dollar of assessed property value.

Property Subject to Taxation

Ad valorem property taxes are levied, based upon value, against real and personal property within the County. There are, however, certain classes of property which are exempt from taxation, including public property, religious property, charitable property, property of nonprofit hospitals, nonprofit homes for the aged, and nonprofit homes for the mentally handicapped, college and certain educational property, public library property, certain farm products, certain air and water pollution control property and personal effects.

Cities and counties are not permitted under Georgia law to reduce or abate a company’s property taxes. When a community desires to offer economic incentives to a company in order to create or retain jobs, the company’s property may be transferred to a development authority or similar governmental entity and leased back to the company.

The development authority's fee ownership interest in the property becomes "public property" exempt from ad valorem taxation as described above. The company may or may not be taxed on the value of its leasehold interest. The County does not have control over the willingness of development authorities in the County to accept title to property in order to provide economic incentives. Therefore, property could be removed from the County's digest without the County's consent.

For purposes of reducing the burden of ad valorem taxation on property owned and occupied by a taxpayer at his or her legal residence, Georgia general law grants several types of homestead exemption. In addition, the County, by virtue of local laws, offers the following additional homestead exemptions:

- (1) *County exemption for Individuals.* Individuals, regardless of age and income, may claim a \$10,000 exemption from County ad valorem taxes for general purposes.
- (2) *County exemption for Disabled Individuals.* Individuals with a disability, regardless of age and income, may claim a \$20,000 exemption from County ad valorem taxes for general purposes.
- (3) *County exemption for Individuals 62 Years of Age and Older.* Individuals 62 years of age or over may claim a \$12,000 exemption from County ad valorem taxes for general purposes.
- (4) *County exemption for Individuals 62 Years of Age and Older with a Disability.* Individuals 62 years of age or over with a disability may claim a \$22,000 exemption from County ad valorem taxes for general purposes.
- (5) *County exemption for Individuals 65 Years of Age and Older.* Individuals 65 years of age or over may claim a \$14,000 exemption from County ad valorem taxes for general purposes.
- (6) *County exemption for Individuals 65 Years of Age and Older with a Disability.* Individuals 65 years of age or over with a disability may claim a \$24,000 exemption from County ad valorem taxes for general purposes.

Additionally, taxpayers in the County may apply for exemption of the following types of tangible personal property from ad valorem taxation, known as "freeport" exemptions: (1) inventory of goods in the process of being manufactured, (2) inventory of finished goods manufactured or produced in the State held by the manufacturer or producer for a period not to exceed 12 months, (3) inventory of finished goods on January 1 that are stored in a warehouse, dock or wharf which are destined for shipment outside of the State for a period not to exceed 12 months, and (4) stock in trade of a fulfillment center which on January 1 are stored in the fulfillment center.

House Bill 386 (2012) eliminated the ad valorem taxation of new vehicles and replaced it with a one-time title tax ("T.A.V.T.") that is levied whenever the title to a vehicle is registered to a new owner (except if a transfer is made between immediate family members). The title tax is based upon the fair market value of the vehicle and is levied at a rate of 7.0% in 2023. The rate may be adjusted in future years; provided, however, the rate may not exceed 9.0%. The revenues are shared among the State and local governments by formula. As a result of this change in law, the assessed value of motor vehicles subject to ad valorem tax in the County has decreased, and the County expects the assessed value of motor vehicles to continue to decrease in future years as motor vehicles subject to ad valorem tax come out of service.

Assessed Value

Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated as a percentage of fair market value. Georgia law requires taxable tangible property to be assessed, with certain exceptions, at 40 percent of its fair market value and to be taxed on a levy made by each tax jurisdiction according to 40 percent of the property's fair market value. Georgia law requires certain agricultural real property to be assessed for ad valorem property tax purposes at 75 percent of the value of which other real property is assessed, requires certain historical property to be valued at a lower fair market value for ad valorem property tax purposes, and requires certain agricultural, timber, and environmentally sensitive real property and certain single-family real property located in transitional developing areas to be valued at their "current use value" (as opposed to fair market value).

The chief appraiser of the County is required to submit a certified list of assessments for all taxable property, except motor vehicles and property owned by public utilities, within the County to the County Board of Tax Assessors. The Tax Commissioner is required to present the tax returns to the Board of Tax Assessors by April 1 of each year. The Board of Tax Assessors is required to complete its revision and assessment of returns and to forward the completed

digest to the Tax Commissioner by June 1 of each year and to forward a copy of the completed digest to the State of Georgia Revenue Commissioner for examination and approval. The State of Georgia Revenue Commissioner has the authority to examine the digest for the purpose of determining if the valuations of property are reasonably uniform and equalized between and within counties. Assessments may also be subject to review at various stages by the Upson County Board of Equalization and by state courts.

The State of Georgia Motor Vehicle Tax Unit assesses the value of motor vehicles by make, model, and year by county and provides this information to each county tax office; however, after March 1, 2013, only motor vehicles titled prior to that date are subject to ad valorem tax. The State of Georgia Property Tax Unit assesses the value of the property of public utilities and divides the assessment into two parts, assessed value of property and assessed value of franchise, and provides these amounts to the County, which bills these taxes to the utilities.

Annual Tax Levy

The County determines a rate of levy for each fiscal year by computing a rate which, when levied upon the assessed value of taxable property within its territorial limits, will produce the necessary amount of property tax revenues. The County then levies its ad valorem property taxes.

Under State law, there is no limitation on the annual rate of levy for payment of either general government operations or principal and interest on bonded indebtedness of the County. Ad valorem taxes received for the payment of debt service on the general obligation bonds of the County are required to be held and accounted for separately from other funds of the County.

Property Tax Collections

The County bills and collects its own property taxes. Real and personal property taxes, except motor vehicle taxes, are levied on or about September of each year on the assessed value listed as of January 1. Taxes levied by the County in September are normally billed on September 18 and are normally payable on or before November 18. Motor vehicle taxes are levied, due, and collected on a staggered basis throughout the entire calendar year; however, after March 1, 2013, only motor vehicles titled prior to that date are subject to ad valorem tax. Interest applies to taxes paid after the due date as prescribed in Section 48-2-40 of the Official Code of Georgia Annotated, and penalties apply to taxes paid more than 120 days after the due date as prescribed in Section 48-2-44.

All taxes levied on real and personal property, together with interest thereon and penalties for late payment, constitute a perpetual lien on and against the property taxed arising after January 1 in the year in which taxed. The lien normally becomes enforceable 30 days after notification, as described below. Georgia law provides that taxes must be paid before any other debt, lien, or claim of any kind, except for certain claims against the estate of a decedent and except that the title and operation of a security deed is superior to the taxes assessed against the owner of property when the tax represents an assessment upon property of the owner other than the property specifically subject to the title and operation of the security deed.

Collection of delinquent real property taxes is enforceable by tax sale of such realty. Delinquent personal property taxes are similarly enforceable by seizure and sale of the taxpayer's personal property. There can be no assurance, however, that the value of property sold, in the event of a tax sale, will be sufficient to produce the amount required to pay in full the delinquent taxes, including any interest or penalties thereon.

When the last day for the payment of taxes has arrived, the tax collector may notify the taxpayer in writing of the fact that the taxes have not been paid and that, unless paid, an execution will be issued. At any time after thirty days from giving the notice described in the preceding sentence, the Clerk of the County may issue an execution for nonpayment of taxes to the Sheriff, or the Tax Commissioner, as ex-officio Sheriff. The Sheriff, or the Tax Commissioner, as ex-officio Sheriff, may then publish a notice of the sale in a local newspaper weekly for four weeks and give the taxpayer ten days written notice by registered or certified mail. A public sale of the property may then be made by the Sheriff, or the Tax Commissioner, as ex-officio Sheriff, at the Upson County Courthouse on the first Tuesday of the month after the required notices are given.

Property Tax Millage Rates

The following table sets forth the millage rate (*i.e.*, the tax rates per \$1,000 of assessed value) of the various taxing entities located within the County (including the County itself) for the calendar years 2019 through 2023.

<u>Millage Rates by Category</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State of Georgia	0.000	0.000	0.000	0.000	0.000
School	14.320	13.730	13.210	14.010	14.010
City of Thomaston	3.560	3.412	3.320	3.076	2.735
City of Yatesville	0.000	0.000	0.000	11.920	10.950
County Incorporated	8.990	8.600	8.280	7.360	6.450
County Unincorporated	8.990	8.600	8.280	7.360	6.450
County Special Services ¹	2.440	1.160	1.160	1.250	2.750
County Wide Joint Projects ¹	4.890	4.720	3.700	5.110	2.710

¹ Applies only to unincorporated areas of Upson County.

Source: Georgia Department of Revenue; Upson County Records.

Historical Property Tax Data

Set forth below is information concerning the assessed (40% of fair market value) of taxable property within the County for calendar years 2019 through 2023 (expressed in thousands).

<u>County Wide</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real & Personal	\$694,577,250	\$739,181,178	\$794,827,642	\$874,289,246	\$1,075,37,705
Motor Vehicles	14,890,910	12,842,720	11,043,860	10,663,180	10,744,790
Mobile Homes	1,846,158	1,871,846	1,898,950	2,090,552	2,642,934
Timber – 100%	4,125,055	3,210,571	4,138,013	4,929,024	3,161,522
Heavy Duty Equipment	186,408	0	0	103,840	331,436
Gross Digest	715,625,781	757,106,315	811,908,465	892,075,842	1,092,251,387
Less M&O Exemptions	94,713,344	95,935,269	104,396,125	107,694,502	194,579,306
Net M&O Digest ¹	620,912,437	661,171,046	707,512,340	784,381,340	897,672,081
Net M&O Millage	8.990	8.600	8.280	7.360	6.450
Total County Taxes Levied for M&O purposes ²	\$ 5,582,003	\$5,686,071	\$ 5,858,202	\$5,773,047	\$5,789,985

¹ Total assessed value, after deducting exemptions, for purposes of levying tax for the operations and maintenance of the County. Does not include State Forest Land Assistance Grant Value.

² Does not include taxes levied for County Special Services and County Wide Joint Projects. Amounts levied for calendar years 2019 through 2023 (expressed in thousands) for County Special Services are \$962,166, \$498,821, \$533,546, \$636,117, and \$1,715,473, respectively. Amounts levied for calendar years 2019 through 2023 (expressed in thousands) for County Wide Joint Projects are \$1,931,668, \$2,002,170, \$1,680,007, \$2,306,363, and \$1,711,636, respectively.

Source: Upson County Records.

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Conservation Use Property

Approximately 44.69 percent by acreage (approximately 9.38 percent of the total assessed value) of the real property on the County's 2023 general tax digest was designated as Conservation Use property. Conservation Use property is real property that consists of timber land or agricultural land and is assessed at a value equal to the sum of (a) 65 percent of the capitalization of the net income generated from use of the property and (b) 35 percent of its current use value. The purpose of this tax treatment is designed to protect property owners of agricultural and timber lands from being pressured by property tax burdens to convert their land to residential or commercial use. Conservation Use property must remain undeveloped and employed for a qualifying use (*i.e.*, agricultural or timber land) for at least ten years after its original designation. The value of conservation use property is not permitted to be increased or decreased by more than 3 percent from the current use valuation for the immediately preceding tax year or increased or decreased during the ten year covenant period by more than 34.39 percent from its current use valuation in the initial year of the 10-year period. The large amount of Conservation Use property in the County means that increases in the millage rate may generate a disproportionately small increase in tax revenues on these properties.

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Property Tax Levies and Collections

Set forth below is information concerning property tax levies and collections of the County for the past five fiscal years.

Fiscal Year	Tax Levy ¹	Tax Collections			Percentage of Collection of Current Year's Levy to Tax Levy	Percentage of Total Tax Collections to Tax Levy	Delinquent Taxes Outstanding as of End of Fiscal Year	Percentage of Delinquent Taxes to Tax levy
		Current Year's Levy	Prior Years	Total				
2019	\$ 8,430,689	\$ 7,247,271	\$ 721,537	\$ 7,968,808	85.96%	94.52%	\$ 1,183,418	14.04%
2020	8,194,598	7,549,175	1,163,877	8,713,052	92.12	106.33	645,423	7.88
2021	8,052,159	7,502,729	638,742	8,141,471	93.18	101.11	549,430	6.82
2022	8,664,499	7,924,179	526,884	8,451,063	91.46	97.54	740,320	8.54
2023	9,191,824	8,462,902	771,956	9,234,858	92.07	100.47	728,922	7.93

¹ Includes all County ad valorem tax, including County Special Services and County Wide Joint Projects. Does not include T.A.V.T. collections.

Source: Upson County Tax Commissioner.

Delinquent property taxes of the County are written off when the statute of limitations for their collection (7 years) expires or if no property is found to levy upon, if earlier. The delinquent taxes written off are usually for personal property, which are more difficult to collect than taxes on real property.

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Ten Largest Taxpayers

Set forth below are the ten largest taxpayers of the County for calendar year 2023. A determination of the largest taxpayers within the County can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessment in excess of those set forth in the table below. Furthermore, the taxpayers shown in the table below may own additional parcels within the County. No independent investigation has been made of, and consequently no representation can be made as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the County.

<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Total Taxable Assessed Value</u>	<u>Tax</u>
1. Southern Natural Gas	\$ 20,412,405	2.27%	\$ 250,879
2. SOLO - Innoware	23,390,326	2.61%	233,456
3. Interfor US Inc.	17,797,235	1.98%	200,091
4. Quad Graphics	17,885,014	1.99%	198,621
5. West Georgia Generating Plant	30,453,522	3.39%	196,425
6. Georgia Power	15,101,064	1.68%	156,039
7. Southern Mills	19,104,705	2.13%	96,603
8. Ranews	4,219,311	0.47%	48,902
9. Walmart	6,220,026	0.69%	40,119
10. Upson County EMC	3,341,855	0.37%	37,694
TOTAL	\$ 157,925,463	17.59%	\$ 1,458,829

Source: Upson County Tax Commissioner.

COUNTY FINANCIAL INFORMATION

Accounting Policies

See Note 1 of the basic financial statements of the County included as Appendix A for a detailed discussion of the County's significant accounting policies.

Five-Year General Fund History

Set forth below is an historical, comparative summary of the revenues, expenditures, and changes in fund balance of the County's General Fund for the fiscal years 2019 through 2023. Information in the following table for fiscal years 2019 through 2023 has been extracted from audited financial statements of the County for the years ended December 31, 2019 to 2023. Certain reclassifications have been made to the audited financial results of prior fiscal years in the below table to conform to classifications of the fiscal year 2023 amounts. Although taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the County for the fiscal years shown. For more complete information, reference is made to the audited financial statements for fiscal years 2019 to 2023, copies of which are available from the County upon request.

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Upson County General Fund

Years Ended December 31 (Audited)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Taxes	\$ 10,732,822	\$ 11,678,037	\$ 11,325,228	\$ 11,651,546	\$ 12,294,796
Licenses and permits	185,375	234,781	230,358	248,942	401,684
Intergovernmental	646,888	2,291,654	1,718,550	733,089	915,239
Charges for services	994,176	935,739	672,379	722,148	957,249
Fines and forfeitures	739,716	822,915	854,286	807,008	682,091
Investment earnings	59,638	11,059	4,468	66,242	315,180
Contributions and donations	-	-	23,200	-	444
Miscellaneous	<u>624,357</u>	<u>645,953</u>	<u>440,410</u>	<u>54,476</u>	<u>189,677</u>
Total Revenues	<u>\$ 13,982,972</u>	<u>\$ 16,620,138</u>	<u>\$ 15,268,879</u>	<u>\$ 14,283,451</u>	<u>\$ 15,756,360</u>
Expenditures					
Current:					
General Government	\$ 4,098,291	\$ 4,814,415	\$ 4,497,460	\$ 4,207,688	\$ 4,132,974
Judicial	2,057,492	2,221,953	2,172,222	2,379,159	2,648,989
Public safety	5,394,471	5,790,593	5,800,682	6,630,909	8,626,555
Public works	1,392,552	2,094,566	2,058,213	1,258,483	2,337,540
Culture and recreation	391,125	312,036	400,867	58,931	126,017
Health and welfare	869,932	748,356	859,931	254,476	236,628
Housing and development	364,397	466,491	508,238	593,429	731,805
Debt service:					
Principal	-	-	-	-	6,635
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,617</u>
Total Expenditures	<u>\$ 14,568,260</u>	<u>\$ 16,448,410</u>	<u>\$ 16,297,613</u>	<u>\$ 15,383,075</u>	<u>\$ 18,849,760</u>
Excess of revenues over (under) expenditures					
	<u>\$ (585,288)</u>	<u>\$ 171,728</u>	<u>\$ (1,028,734)</u>	<u>\$ (1,099,624)</u>	<u>\$ (3,093,400)</u>
Transfers in	3,242,260	3,413,843	2,504,032	764,833	1,673,159
Transfers Out	(342,739)	(304,046)	(1,203,053)	(945,182)	(155,720)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>16,995</u>	<u>325,865</u>	<u>225,727</u>
Total Other Financing Sources (Uses)	<u>2,899,521</u>	<u>3,109,797</u>	<u>1,317,974</u>	<u>145,516</u>	<u>1,743,166</u>
Net Change in Fund Balance	\$ 2,314,233	\$ 3,281,525	\$ 289,240	\$ (954,108)	\$ (1,350,234)
Fund Balance - Beginning of Year	<u>8,327,094</u>	<u>10,641,327</u>	<u>12,753,784</u>	<u>13,057,639</u>	<u>12,103,531*</u>
Fund Balance - End of Year	<u>\$ 10,641,327</u>	<u>\$ 13,922,852</u>	<u>\$ 13,043,024</u>	<u>\$ 12,103,531</u>	<u>\$ 10,753,297</u>

*As restated

Budget and Results

Georgia law requires each county and municipality to operate under an annual balanced budget adopted by resolution or ordinance. A budget resolution or ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. See Note 2 to the financial statements of the County attached as Exhibit A for a detailed description of the County's budgetary process.

Set forth below are the budgets (prepared on a cash basis) for the fiscal years ending December 31, 2023 and December 31, 2024, and the audited actual results for the fiscal year ending December 31, 2023. These budgets are based upon certain assumptions and estimates of the County regarding future events, transactions, and circumstances. Realization of the results projected in these budgets depends upon implementation by management of the County of policies and procedures consistent with the assumptions. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the fiscal year 2024 budget set forth below.

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General Fund Budget
Fiscal Years Ending December 31, 2023 and December 31, 2024

Years Ended December 31 (Audited)

	<u>Fiscal Year 2023</u> <u>Budgeted</u>	<u>Fiscal Year 2023</u> <u>Actual Results</u>	<u>Fiscal Year 2024</u> <u>Budgeted</u>
Revenues			
Taxes	\$ 14,081,627	\$ 12,294,796	\$ 15,821,314
Licenses and permits	248,164	401,684	278,000
Intergovernmental	970,200	915,239	699,466
Charges for services	768,505	957,249	606,680
Fines and forfeitures	839,400	682,091	653,548
Investment earnings	231,000	315,180	300,000
Contributions and donations	1,600	444	-
Miscellaneous	<u>123,443</u>	<u>189,677</u>	<u>50,250</u>
Total Revenues	<u>\$ 17,263,939</u>	<u>\$ 15,756,360</u>	<u>\$ 18,409,258</u>
Expenditures			
Current:			
General Government	\$ 4,320,249	\$ 4,132,974	\$ 4,552,405
Judicial	2,772,817	2,648,989	2,816,601
Public safety	8,911,838	8,626,555	9,012,908
Public works	2,349,502	2,337,540	1,485,395
Culture and recreation	127,013	126,017	54,500
Health and welfare	323,709	236,628	325,792
Housing and development	932,588	731,805	867,063
Debt service:			
Principal	-	6,635	-
Interest	<u>-</u>	<u>2,617</u>	<u>-</u>
Total Expenditures	<u>\$ 19,737,716</u>	<u>\$ 18,849,760</u>	<u>\$ 19,114,664</u>
Excess of revenues over (under) expenditures			
	<u>\$ (2,473,777)</u>	<u>\$ (3,093,400)</u>	<u>\$ (705,406)</u>
Transfers in	2,358,621	1,673,159	996,612
Transfers Out	(148,844)	(155,720)	(291,206)
Sale of capital assets	<u>264,000</u>	<u>225,727</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,473,777</u>	<u>1,743,166</u>	<u>705,406</u>
Net Change in Fund Balance	\$ -	(1,350,234)	\$ -
Fund Balance - Beginning of Year	<u>12,103,531</u>	<u>12,103,531</u>	<u>10,753,297</u>
Fund Balance - End of Year	<u>\$ 12,103,531</u>	<u>\$ 10,753,297</u>	<u>\$ 12,119,928</u>

Source: County Records.

Management Comments Concerning Fiscal Year 2023 Results

The County continues to experience a positive trend in tax and other operational revenues, reflective of a stable and growing tax base. The Net M&O Digest increased \$113.3 million from 2022 to 2023, equivalent to an average annual rate of increase of 14.4%.

The audited fiscal year 2023 results show total revenues, including those from other financing sources, of \$15.7 million. However, the fiscal year results reflect a net deficit of \$1.3 million. In fiscal year 2022, the net deficit was approximately \$954,000; however, approximately \$516,000 of that deficit resulted from the transfer of Local Maintenance Improvement Grant (LMIG) funds out of the General Fund and into a separate LMIG capital projects fund. These deficits were the result of the County utilizing the rollback rate in both fiscal years instead of increasing or maintaining the M&O millage from the previous years, effectively utilizing some of the surpluses from years prior to 2022 to fund operations. The ending fund balance at December 31, 2023 was 57% of fiscal year 2023 expenditures.

Retirement Plans and Other Post-Employment Benefits

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

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

The Plan provides retirement, disability, and death benefits. Retirement benefits for all employees are calculated as 2 percent of the employee's career earnings. General employees with 10 years of continuous service are eligible to retire at age 60. Public safety employees with 10 years of continuous service are eligible to retire at age 55. General employees may retire at any age after 30 years of service. Public safety employees may retire at any age after 20 years of service. All employees are eligible for non-duty disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's final full-year salary. An employee who leaves County service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

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

Employees Covered by Benefit Terms. As of January 1, 2023, the date of the most recent actuarial valuation, the Plan's membership consisted of the following:

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

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability (asset) of the County for the year ended December 31, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2022	\$ 11,442,739	\$ 10,018,242	\$ 1,424,497
Changes for the Year:			
Service Cost	285,041	--	285,041
Interest	773,245	--	773,245
Liability Experience (Gain)/Loss	(903)	--	(903)
Assumption Change	74,682	--	74,682
Contributions-Employer	--	400,064	(400,064)
Net Investment Income	--	1,470,733	(1,470,733)
Benefit Payments, Including Refunds of Employee Contributions	(237,216)	(237,216)	--
Administrative Expense	--	(49,349)	49,349
Other Changes	--	(9,922)	9,922
Net changes	<u>894,849</u>	<u>1,574,310</u>	<u>(679,461)</u>
Balances at December 31, 2023	<u>\$ 12,337,588</u>	<u>\$ 11,592,552</u>	<u>\$ 745,036</u>

For a summary of significant accounting policies, actuarial methods and assumptions, changes in the net pension liability and related ratios, and summary of main plan provisions for valuation purposes, see Note 7 of the County's financial statements included as Appendix A hereto.

For changes in the components of the net pension liability (asset) of the Airport Authority, a discretely-presented component unit of the County, see Note 7 of the County's financial statements included as Appendix A hereto.

See Note 7 of the County's financial statements for a description of special funding defined benefit pension plans available for certain County employees. The County makes no contributions to these plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements of the County to be immaterial.

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

maximum of 4.0% of an employee’s salary. In total, the mandatory 2.0% contributions plus any voluntary contributions will result in a 100% match of employee contributions up to a maximum of 6.0%.

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

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

Insurance Coverage and Governmental Immunity

Under Georgia law, the defense of sovereign immunity is available to the County, except for actions for the breach of written contracts, inverse condemnation claims arising under the Constitution of the State of Georgia and actions for the recovery of damages arising from the negligent use of a motor vehicle pursuant to O.C.G.A. § 33-24-51 and O.C.G.A. § 36-92-2. The County, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the County in the exercise of its delegated powers.

The County maintains all insurance relating to the County’s property, casualty and professional coverage through commercial insurance companies in the amounts listed below:

Insurance Coverage ¹		
Type	Amount in Force	
Property	\$53,719,666	

Type	Limits of Liability	
	Each Occurrence	Aggregate
General Liability ²	\$1,000,000	\$2,000,000
Law Enforcement	\$1,000,000	\$2,000,000
Public Official Liability ⁽²⁾	\$1,000,000	\$2,000,000
Automobile Liability	\$1,000,000	
Employee Benefits Liability	\$1,000,000	\$3,000,000
Blanket Crime Bond	\$250,000	
Workers Compensation	Statutory	Statutory
Cybersecurity ³		

¹ The effective dates for the County’s present insurance coverage, summarized above, are from July, 2024 to July, 2025.

² Includes primary and excess coverages.

³ Limits of liability intentionally left blank.

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; and natural disasters. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverages for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year. When both restricted and unrestricted net position are available for use, it is the County’s policy to use unrestricted resources first, then restricted resources as they are needed.

The County requires payment and performance surety bonds and builders’ risk insurance of all contractors and subcontractors involved in significant construction for the County. The County requires the surety bonds to be

issued by surety firms listed on the U.S. Treasury approved list and the builders' risk insurance to be in the amount of the contract sums.

Climate Change

Planning for climate change in the County, its impact on the County and the operation thereof is an unknown challenge. The County's climate is exceedingly variable and projections of future conditions range significantly. While projections in the County indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of the climate change is not yet known and therefore its future impact cannot be quantified reliably at this time.

Cybersecurity

Despite the implementation of network security measures by the County, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks. The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the County's ability to provide services and collect revenues. Any breach or cyberattack that compromises data could result in negative press.

The County has not had any recent cybersecurity incidents, however, no assurances can be given that the County's measures will prevent cybersecurity attacks, and no assurances can be given that any future cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the County.

LEGAL MATTERS

Pending Litigation

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with the County Attorney, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the County.

There is no litigation now pending or, to the knowledge of the County, threatened against the County (i) which restrains or enjoins the issuance or delivery of the Bonds, the imposition of the Transportation Sales Tax, the levy of an ad valorem tax for the payment of the Bonds, or the use of the proceeds of the Bonds or (ii) which questions or contests the validity of the Bonds or the proceedings and authority under which they are to be issued and the Transportation Sales Tax is to be imposed and an ad valorem tax is to be levied to pay the Bonds. Neither the creation, organization, or existence of the County, nor the title of the present members or other officials of the Board of Commissioners to their respective offices, is being contested or questioned.

Opinion of Bond Counsel

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Smith, Gambrell & Russell, LLP, Atlanta, Georgia, Bond Counsel, available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix B.

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Bonds. These include restrictions on investments, requirements for periodic payment of arbitrage profits to the United States, requirements regarding the use of Bond proceeds and other restrictions and

requirements. Failure to comply with certain of such requirements and restrictions may cause interest on the Bonds to become subject to federal income taxation, retroactive, in some cases, to the date of issuance of the Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes. Moreover, in the opinion of Bond Counsel, interest on the Bonds is not a specific “item of tax preference” for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. The foregoing opinions are subject to the condition that the County comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of the interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

In concluding that interest on the Bonds is excluded from gross income for federal income tax purposes, Bond Counsel will rely, as to questions of fact material to its opinion, upon certified proceedings and other certifications of public officials furnished to Bond Counsel, without undertaking to verify any of them by independent investigation. If certain of these items are incorrect, interest on the Bonds may become included in gross income for federal income tax purposes retroactive, in some cases, to the date of issuance of the Bonds.

Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the Bonds. Bond Counsel rendered its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretation thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the further opinion of Bond Counsel, the interest on the Bonds is exempt from State of Georgia income taxation. Bond Counsel has not opined as to whether interest on the Bonds is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Bonds should consult its own tax advisor regarding the tax-exempt status of the interest on the Bonds in a particular state or local jurisdiction other than Georgia.

Bond Premium

Certain maturities of the Bonds are being sold at prices in excess of the principal amount thereof. Under the Code, the excess of an owner’s cost basis of a bond over the principal amount of such bond (other than a bond held as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as “bond premium.” For federal income tax purposes, bond premium is amortized over the term of the related bond. An owner will therefore be required to decrease its basis in the Bonds by the amount of amortizable bond premium attributable to each taxable year it holds Bonds. The amount of amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Bonds.

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Collateral Federal Tax Consequences for the Bonds

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Possible Changes in Tax Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law, or otherwise prevent Holders of the Bonds from realizing the full current benefits of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Each Bond purchaser should consult its own tax advisor.

Validation Proceedings

The State of Georgia instituted proceedings in the Superior Court of Upson County, Georgia to validate the Bonds. The State of Georgia was the plaintiff in the proceeding, and the County was the defendant. A final judgment confirming and validating the Bonds was entered on April 9, 2024. Under Georgia law, the judgment of validation will be final and conclusive with respect to the validity of the Bonds against the County.

Closing Certificates

At closing of the sale of the Bonds, the County will deliver to the purchasers a certificate (1) that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Bonds, the imposition of the Transportation Sales Tax, or the levy and collection of an ad valorem tax to pay the Bonds or on the financial condition of the County and (2) that the information contained in this Official Statement does not contain any misstatement of a material fact and does not omit to state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

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MISCELLANEOUS

Rating

Moody's Investors Service, Inc. has assigned a rating of "Aa3" to the Bonds. The rating reflects only the views of such rating agency, and any desired explanation of the significance of the rating should be obtained from the rating agency furnishing such rating. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such rating will remain unchanged for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the liquidity and market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Competitive Sale

The Bonds have been purchased at a competitive sale by Jefferies LLC (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price of \$9,537,345.10 (par, plus original issue premium of \$537,345.10, less underwriter's discount of \$9,190.67). The expected date of issuance and delivery of the Bonds and the initial public offering prices of the Bonds are as shown on the front page of this Official Statement. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may also allow a concession from the public offering prices to certain dealers and others.

Financial Advisor

The County has employed Davenport & Company LLC as its Financial Advisor in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent on the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendixes thereto.

Independent Auditors

The basic financial statements of the County as of December 31, 2023 and for the year then ended, attached hereto as Appendix A, have been audited by Nichols, Cauley & Associates, LLC, Dublin, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in Appendix A. Such financial statements have been included herein in reliance upon the report of Nichols, Cauley & Associates, LLC.

Continuing Disclosure

The County has covenanted in the Disclosure Certificate for the benefit of the beneficial owners of the Bonds to provide the Annual Report by not later than 270 days after the end of each fiscal year of the County, commencing with its fiscal year ending December 31, 2024, and to provide Event Notices within 10 business days after the occurrence of each such event. The Annual Report and the Event Notices will be filed by the County with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is the EMMA system of the MSRB. *See Appendix C* for the form of the Disclosure Certificate. These covenants have been made in order to comply with the Rule.

The County has entered into previous continuing disclosure undertakings with respect to the Rule (the "Prior Undertakings"). There have been past instances of late filings constituting noncompliance with the Prior Undertaking. The audited financial statements and operating data for year ending December 31, 2019, were posted June 16, 2021, approximately 263 days late, and was not linked to all applicable CUSIPs until February 9, 2022. The audited financial statements and operating data for the year ending December 31, 2020, were posted January 11, 2022, approximately 106 days late, and was not linked to all applicable CUSIPs until February 9, 2022. The audited financial statements

and operating data for the year ending December 31, 2021, were posted August 1, 2023, approximately 308 days late. The audited financial statements and operating data for the year ending December 31, 2022, were posted December 29, 2023, approximately 93 days late. In addition, the general fund budgets for 2020, 2021 and 2022 were posted February 9, 2022. The general fund budget for 2023 was posted June 8, 2023.

As of the date of this Official Statement, all annual reports have been made and the County has implemented written policies and procedures to ensure future filings are completed and filed with EMMA in a timely manner.

Additional Information

Use of the words “shall,” “must,” or “will” in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

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CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use, have been duly authorized and approved by the County.

UPSON COUNTY, GEORGIA

By: /s/ Norman Allen
Chairman, Board of Commissioners

APPENDIX A

FINANCIAL STATEMENTS OF THE COUNTY

The basic financial statements of the County as of December 31, 2023 and for the year then ended, included as this Appendix A, have been audited by Nichols, Cauley & Associates, LLC, Dublin, Georgia, independent certified public accountants, to the extent and for the period indicated in its report thereon, which appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of Nichols, Cauley & Associates, LLC.

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UPSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

**Prepared by:
Upson County Finance Department**

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

INTRODUCTORY SECTION (Unaudited)

List of Principal Officials.....	2
Organizational Chart.....	3

FINANCIAL SECTION

Independent Auditor’s Report.....	5
Management’s Discussion and Analysis	9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	22
Statement of Activities.....	23
Fund Financial Statements	
Balance Sheet – Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of	
Governmental Funds to the Statement of Activities.....	27
Statement of Net Position – Proprietary Funds.....	28
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds.....	30
Statement of Fiduciary Net Position – Fiduciary Funds	31
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	32
Statement of Net Position – Discretely Presented Component Units	33
Statement of Activities – Discretely Presented Component Units	34
Notes to the Financial Statements	36
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – General Fund.....	65
Schedule of Changes in the County’s Net Pension Liability and Related Ratios.....	67
Schedule of County Contributions – Pension Plan	68
Supplementary Information	
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Governmental Funds	76
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Joint Projects Fund	79
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Unincorporated Services Fund	80
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – American Rescue Plan Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Law Library Fund.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Seizure Fund	83
Schedule of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual – Drug Abuse Fund	84

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

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Sheriff Programs Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – E911 Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Jail Construction Fund	87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Hotel/Motel Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Recreation Fund.....	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Sprewell Bluff Recreation Area Fund.....	90
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Telecom Grant Fund	91
Combining Statement of Fiduciary Net Position – Custodial Funds	94
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	95

COMPLIANCE SECTION

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds - Special Local Option Sales Tax – Series 2016	97
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds - Special Local Option Sales Tax – Series 2022	98
Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds - Special Local Option Sales Tax – Series 2019	99
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	100
Schedule of Findings and Responses	102



INTRODUCTORY SECTION

(Unaudited)

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

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

Board of Commissioners

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

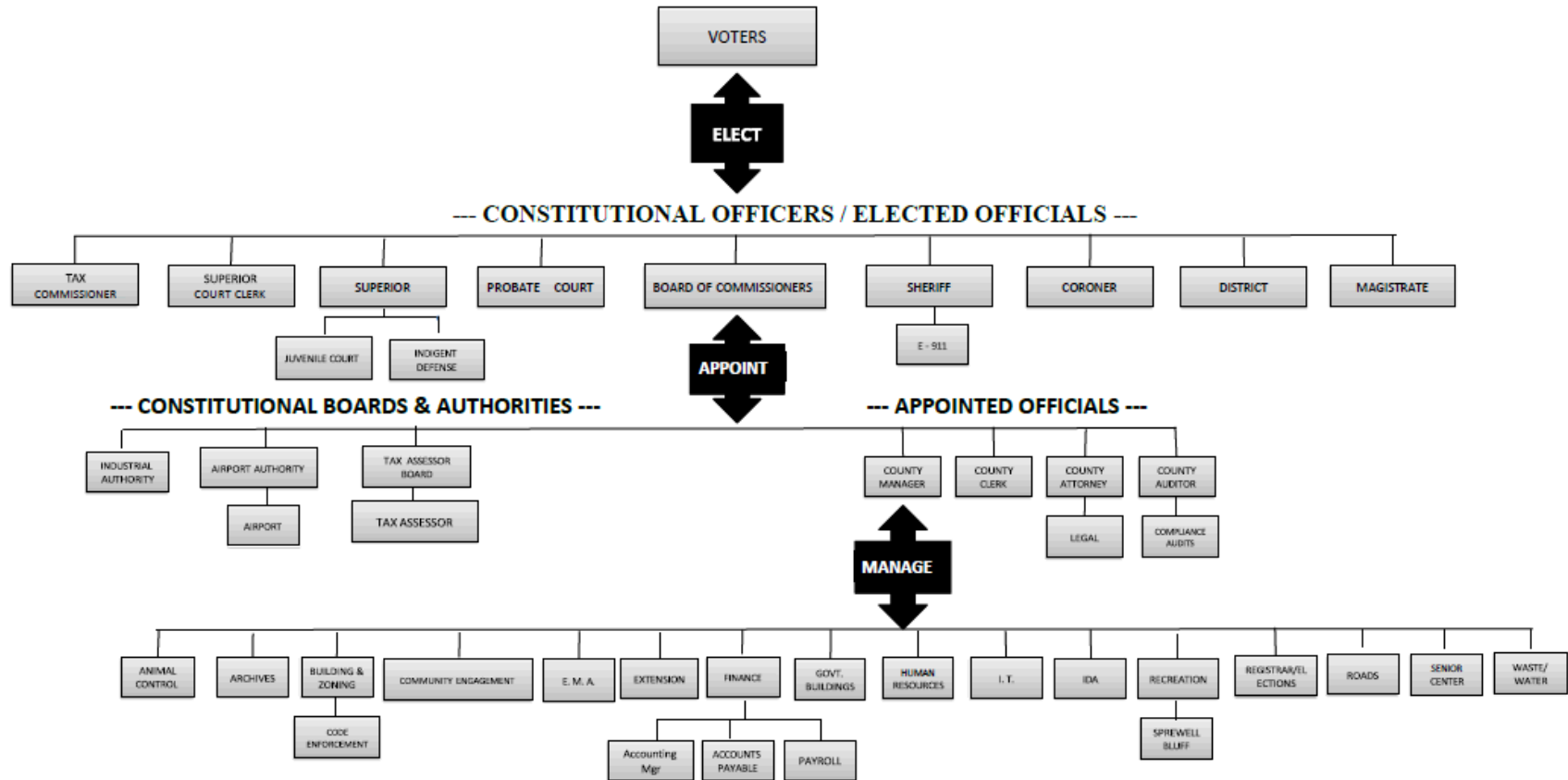
Constitutional Officers

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

Administrative

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

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





FINANCIAL SECTION

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



NICHOLS, CAULEY & ASSOCIATES, LLC

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Dublin, Georgia 31021
478-275-1163 FAX 478-275-1178
dublin@nicholscauley.com

Independent Auditor's Report

Upton County Board of Commissioners
Upton County, Georgia
Thomaston, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information Included in the Report

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

Other Reporting Required by Government Auditing Standards

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

Richels, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

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

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

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

2023 FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents financial information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. The business-type activities of the County include water system and waste services.

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

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

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

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

Proprietary Funds. The County maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for the County Water Districts and the Waste Services Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water System and Waste System, both of which are major funds of the County.

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

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

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

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

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-63 of this report.

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

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

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

Government-wide Overall Financial Analysis

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

Upson County, Georgia - Net Position

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

Governmental Activities

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

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

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

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

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

Business-Type Activities

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

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

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

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

The County's overall net position decreased \$4.9 million from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Upson County, Georgia - Changes in Net Position

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

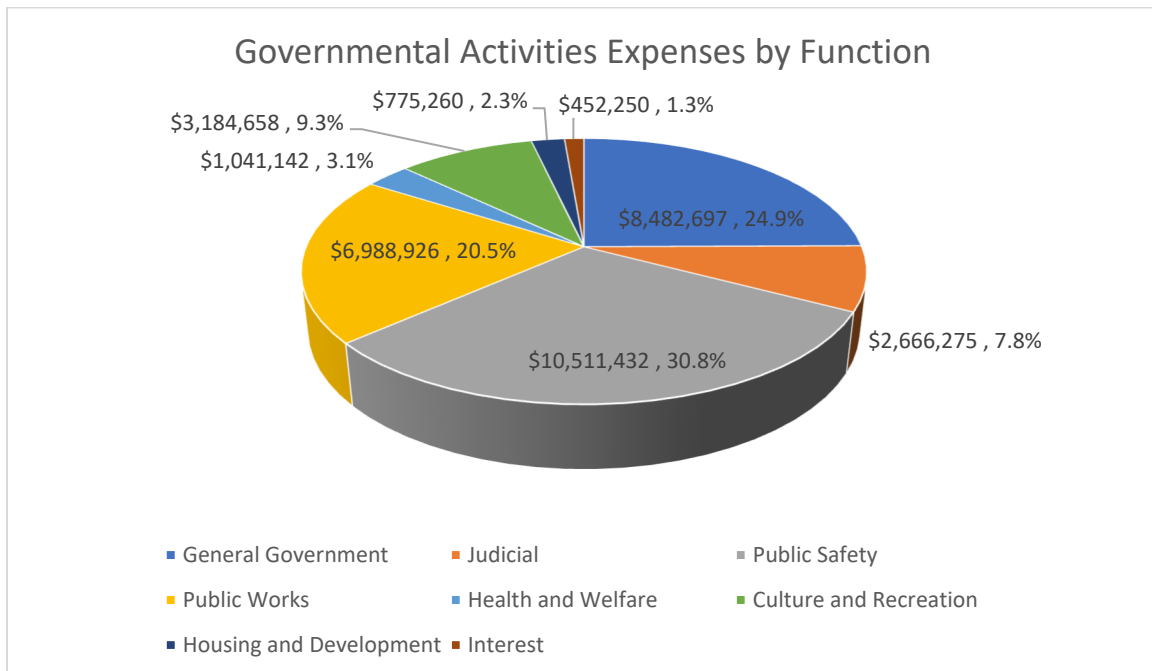
**UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Governmental Activities.

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

Governmental Activities

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



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

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

Financial Analysis of Governmental Funds

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

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

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

Analysis of Individual Funds

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

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

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

General Fund Budgetary Highlights

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

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General government	\$ 4,140,749	\$ 179,500	\$ 4,320,249	\$ 4,132,974	\$ (187,275)
Judicial	2,554,802	218,015	2,772,817	2,648,989	(123,828)
Public safety	8,455,314	456,524	8,911,838	8,626,555	(285,283)
Public works	1,322,454	1,027,048	2,349,502	2,337,540	(11,962)
Health and welfare	323,709	-	323,709	236,628	(87,081)
Culture and recreation	154,000	(26,987)	127,013	126,017	(996)
Housing and development	932,588	-	932,588	731,805	(200,783)
Debt service	-	-	-	9,252	9,252
Total	<u>\$ 17,883,616</u>	<u>\$ 1,854,100</u>	<u>\$ 19,737,716</u>	<u>\$ 18,849,760</u>	<u>\$ (887,956)</u>

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

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

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

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

Capital Expenditures

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

The following table lists capital expenditures by asset class:

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

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

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

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

Upson County, Georgia's Outstanding Debt

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

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

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

Economic Condition & Outlook

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

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

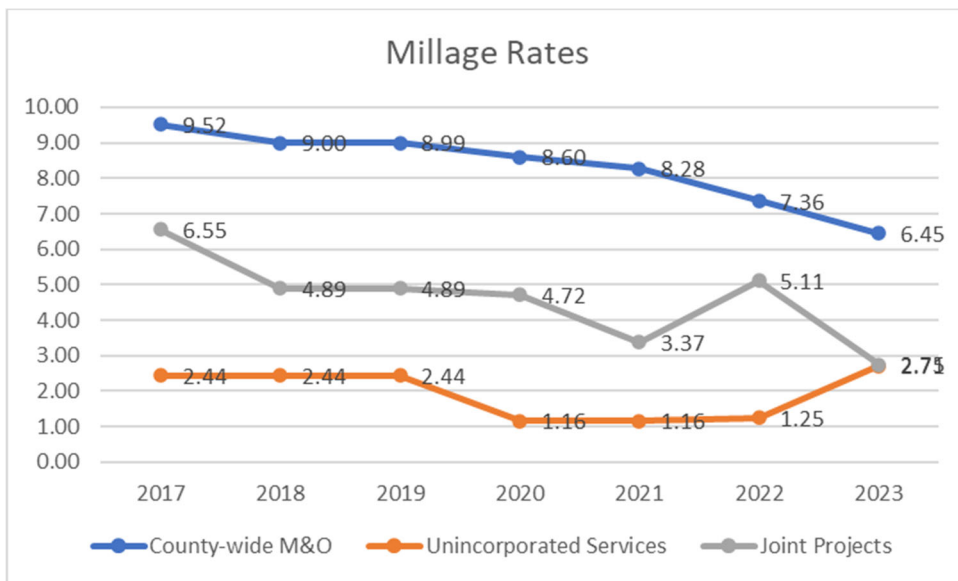
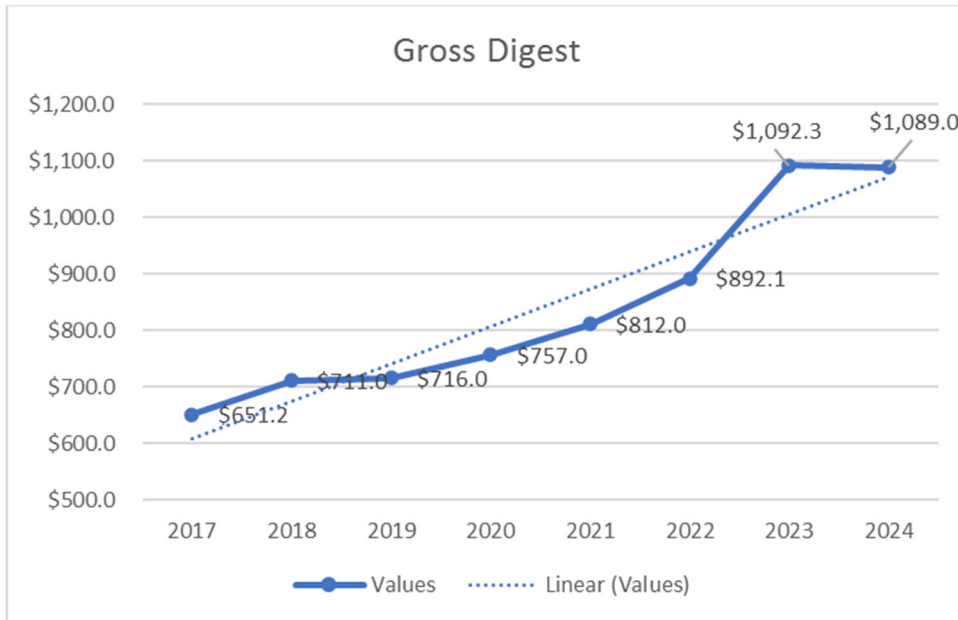
The County will be challenged to keep millage rates low and using the rollback rate may not be feasible given the size of our budget. The County has a total of three taxing districts: County M&O, Joint Projects and Unincorporated Services. The Joint Projects taxing district and the Unincorporated taxing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

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

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

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

Dollar amounts are presented in millions.



CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Upson County, 106 East Lee Street, Suite 110, Thomaston, Georgia 30286.



BASIC FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Total changes in fund balances - total governmental funds		\$ (10,254,265)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>		
Depreciation expense	\$ (3,380,041)	
Capital outlay	<u>15,772,529</u>	12,392,488
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position</p>		
		(45,395)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.</p>		
Property taxes		213,893
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payments on bonds	1,170,000	
Principal payments on financed purchases	931,800	
Principal payments on leases	6,635	
Premium	115,724	2,224,159
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable	80,043	
Change in compensated absences	(135,956)	
Pension expense	<u>472,844</u>	<u>416,931</u>
Change in net position of governmental activities		<u>\$ 4,947,811</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Ventures

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

Government-wide Financial Statements

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

Basis of Presentation – Government-wide Financial Statements

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

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

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

Basis of Presentation – Fund Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County reports the following major governmental funds:

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

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

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

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

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus and Basis of Accounting

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

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

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

Receivables

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

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position

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

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

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

Fund Balance

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Leases

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Use of Estimates

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

Pension Plan

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

Program Revenues

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

Property Taxes

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, solid waste fund, and internal service funds are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis of Accounting

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

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

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

Budgetary Basis of Accounting

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS

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

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

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS

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

NOTE 4 - RECEIVABLES

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

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

(This page is continued on the subsequent page)

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

NOTE 5 - CAPITAL ASSETS

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

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

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

NOTE 5 - CAPITAL ASSETS

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

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

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

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

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

NOTE 6 - LONG-TERM OBLIGATIONS

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

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

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

NOTE 6 - LONG-TERM OBLIGATIONS

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

Governmental Activities

Revenue Bonds

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

General Obligation Transportation Sales Tax Bonds, Series 2019

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

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

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

Financed Purchases

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

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

NOTE 6 - LONG-TERM OBLIGATIONS

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

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

Leases

The County has entered into various lease agreements as lessee:

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

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

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

Business-Type Activities

Notes Payable

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

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

NOTE 6 - LONG-TERM OBLIGATIONS

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

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

Financed Purchases

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

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

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

NOTE 7 - PENSION PLAN

Plan Description

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

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

NOTE 7 - PENSION PLAN

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

Benefit Provided – The Plan provides retirement, disability, and death benefits. Retirement benefits for all employees are calculated as 2 percent of the employee's career earnings. General employees with 10 years of continuous service are eligible to retire at age 60. Public safety employees with 10 years of continuous service are eligible to retire at age 55. General employees may retire at any age after 30 years of service. Public safety employees may retire at any age after 20 years of service. All employees are eligible for non-duty disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's final full-year salary. An employee who leaves County service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

Employees Covered by Benefit Terms

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

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

Contributions

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

Net Pension Liability

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

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

NOTE 7 - PENSION PLANS

Actuarial Assumptions

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

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

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

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

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks(33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Fixed Income	30%	3.60%
US Equity Large Core	30%	8.20%
International Core	15%	8.90%
Mid Cap Core	10%	9.10%
Private Real Estate	5%	8.50%
Global Core	5%	8.50%
US Equity Core	5%	8.30%
	<u>100%</u>	

Discount Rate

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

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

NOTE 7 - PENSION PLANS

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

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

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

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

NOTE 7 - PENSION PLANS

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

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

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

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

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

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

NOTE 7 - PENSION PLANS

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2022 and the current sharing pattern of costs between employer and employee.

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

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

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

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

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

NOTE 7 - PENSION PLANS

Other Pension Plans

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

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

NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN

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

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

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

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

NOTE 9 - INTERFUND BALANCES AND TRANSFERS

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

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

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

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

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

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

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

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

NOTE 10 - FUND BALANCE

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

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

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

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

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

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

NOTE 12 - HOTEL/MOTEL LODGING TAX

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

NOTE 13 - CONTINGENCIES

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

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

NOTE 14 – RESTATEMENT OF NET POSITION

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

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

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

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

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

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

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

NOTE 17 – RESTATEMENT OF NET POSITION

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

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

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

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

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



REQUIRED SUPPLEMENTARY INFORMATION

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

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

(continued on the following page)

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

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

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

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

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

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

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

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

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



SUPPLEMENTARY INFORMATION



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

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

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

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

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

(continued on the following page)

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

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

(continued on the following page)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



FIDUCIARY FUNDS

CUSTODIAL FUNDS

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

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

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

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

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

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

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

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

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

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

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



COMPLIANCE SECTION

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

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

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

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

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

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

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

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



NICHOLS, CAULEY & ASSOCIATES, LLC

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upson County, Georgia (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of Thomaston-Upson County Industrial Development Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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

Richels, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024

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

Finding 2023-001

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

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

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

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

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

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

Finding 2023-002

Significant Deficiency in Internal Control over Financial Reporting—Compensated Absences

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

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

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

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

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

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APPENDIX B

FORM OF LEGAL OPINION

The form of Legal Opinion included as this Appendix B has been prepared by Smith, Gambrell & Russell, LLP, Atlanta, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Bonds.

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[FORM OF BOND COUNSEL OPINION]

August 29, 2024

Board of Commissioners of Upson County, Georgia
Thomaston, Georgia

Jefferies LLC
New York, New York

To the Addressees:

We have acted as Bond Counsel in connection with the issuance of the \$9,000,000 Upson County, Georgia General Obligation Transportation Sales Tax Bonds, Series 2024 (the “Bonds”), issued by Upson County, Georgia (the “County”), more fully described in the Bond Resolution (hereinafter defined). As Bond Counsel, we have examined a certified copy of the validation proceedings relating to the Bonds conducted in the Superior Court of Upson County, Georgia, resolutions of the Board of Commissioners of Upson County (the “Board of Commissioners”) adopted on August 13, 2024 (the “Bond Resolution”), and such other laws, documents, instruments and certificates of public officials as we have deemed necessary to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

The Bonds are being issued by the County for the purpose of providing funds to pay or to be applied toward (i) costs of certain transportation capital outlay projects of the County, as contemplated by the Bond Resolution and by an Intergovernmental Agreement for the Use and Distribution of Proceeds from a Transportation Special Purpose Local Option Sales and Use Tax, dated June 27, 2023 (the “Intergovernmental Contract”), among the County, the City of Thomaston, Georgia and the City of Yatesville, Georgia, and (ii) costs associated with the issuance of the Bonds. The County has imposed a transportation special purpose local option one percent sales and use tax (the “Transportation Sales Tax”) on all sales and uses in the County, beginning January 1, 2024, for a period of time of five years, a portion of the proceeds of which is to be used by the County to pay the principal of and interest on the Bonds as the same become due and payable.

In rendering our opinion that the interest on the Bonds is excludable from the gross income of the registered owners of the Bonds for federal income tax purposes, we have (i) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the County, and representations of the County (including representations as to the use and investment of the proceeds of the Bonds), without undertaking to verify the same by independent investigation and (ii) assumed continued compliance by the County with its covenants relating to the use of the proceeds of the Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such certificates, representations or the failure of the County to comply with any of such covenants could cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

Based on the examinations, certificates and provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Bonds are valid and binding general obligations of the County.
- (2) The Bond Resolution has been duly adopted by the Board of Commissioners and constitutes the valid and binding obligation of the County.
- (3) All property subject to taxation for general obligation bond purposes in the jurisdictional limits of the County is subject to the levy of an ad valorem tax unlimited as to rate or amount for the purpose of paying the principal of and interest on the Bonds. The Board of Commissioners is authorized and required by law to levy, and has provided for the levy on all of said property subject to taxation for general obligation bond purposes, such ad valorem taxes as will produce funds sufficient in amount to pay the principal of and interest on the Bonds as the same become due and payable; provided that such ad valorem taxes so levied shall be reduced by an amount equal to the proceeds of the Transportation Sales Tax collected and allocated by the County to pay the principal of and interest on the Bonds.
- (4) The Bonds have been duly confirmed and validated by judgment of the Superior Court of Upson County, Georgia and no appeals are pending with respect to such judgment of validation.
- (5) Interest on the Bonds is exempt from present State of Georgia income taxation.
- (6) The interest on the Bonds is, under the provisions of the Code as presently construed, not includable in the gross income of the registered owners of the Bonds for federal income tax purposes and is not a specific preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial

statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal tax consequences arising with respect to ownership of the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

SMITH, GAMBRELL & RUSSELL, LLP

By: _____
Benjamin J. Brooks

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE, dated August 29, 2024 (this “Disclosure Certificate”), is executed and delivered by Upson County, Georgia (the “County”) in connection with the issuance by the County of its General Obligation Transportation Sales Tax Bonds, Series 2024, in the aggregate principal amount of \$9,000,000 (the “Bonds”), which are being issued and delivered pursuant to a bond resolution adopted by the Board of Commissioners on August 13, 2024 (the “Bond Resolution”). The County covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders of the Bonds (the “Bondholders”) and in order to assist the Participating Underwriter in complying with the Rule described herein.

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Dissemination Agent**” shall mean the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“**EMMA**” shall mean the MSRB’s Electronic Municipal Market Access System.

“**Listed Events**” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“**National Repository**” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repository currently approved by the Securities and Exchange Commission is the MSRB and is accessed through EMMA at <http://emma.msrb.org>.

“**Participating Underwriter**” shall mean the original purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Repository**” shall mean each National Repository and State Repository, as approved by the Securities and Exchange Commission, for purposes of the Rule at the time of submission of each Annual Report.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Georgia.

“**State Repository**” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than 270 days following the end of the County’s fiscal year, commencing with the fiscal year ending December 31, 2024, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other documents and information as provided in Section 4 of this Disclosure Certificate. If the County’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If audited financial statements are not available to include in the Annual Report, the County shall provide unaudited financial statements by the due date set forth in subsection 3(a) above and shall provide audited financial statements as soon as practicable thereafter. If the County is unable to provide to the Repositories an Annual Report by the date required in subsection 3(a), the County shall send, or cause the Dissemination Agent to send, a notice to each Repository in a timely manner in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent is other than the County, the Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report, the name and address of each Repository; and

(ii) file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The County’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the County for the fiscal year then ended, prepared in conformity with generally accepted accounting principles, as in effect from time to time; or, if audited financial statements are not yet available, the unaudited financial statements of the County, and when audited financial statements are available, the audited financial statements of the County, both such types of financial statements to be prepared in conformity with generally accepted accounting principles, as in effect from time to time.

(b) If the accounting principles changed from the previous fiscal year, a description of the impact of such change, as required by Section 8 of this Disclosure Certificate.

(c) If the fiscal year has changed, a statement indicating the new fiscal year.

(d) An update of the information in the Official Statement, dated August 13, 2024, relating to the Bonds, under the headings “**COUNTY DEBT STRUCTURE – Summary of County Debt Structure and Overlapping by Category**” and “– Limitations on County Debt – *Computation of Legal Debt Margin*”; and “**COUNTY AD VALOREM TAXATION – Property Tax Millage Rates**”, “– Historical Property Tax Data”, “– Property Tax Levies and Collections” and “– Ten Largest Taxpayers”. The County shall also provide information for the preceding Fiscal Year regarding collection of the transportation special purpose local option one percent sales and use tax.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB.

SECTION 5. Reporting of Listed Events. The County shall give, or cause to be given, in a timely manner, but in no event in excess of ten (10) business days after the occurrence of such event, to each Repository or the MSRB and any State Repository, notice in substantially the form attached hereto as Exhibit B of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on the debt service reserves, if any, reflecting financial difficulties;
- (4) Unscheduled draws on the credit enhancements, if any, reflecting financial difficulties;
- (5) Substitution of the credit or liquidity providers, if any, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;

- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or other similar event of the County;
- (13) The consummation of a merger, consolidation or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) The appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) The incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

Events under item 12 are considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

For the purposes of the events described in items (15) and (16), the term “Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Certificate will be in effect from and after the issuance and delivery of the Bonds and will extend to the earlier of (i) the date all principal, premium, if any, and interest on the Bonds shall have been paid or deemed paid pursuant to the terms of the Bond Resolution or (ii) the date on which those portions of the Rule which required this written undertaking are held to be invalid

by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 7. **Dissemination Agent.** The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. **Amendment; Waiver.** The County's continuing disclosure undertakings described in this Disclosure Certificate may be amended from time to time without the consent of the owners of the Bonds if, in the written opinion of nationally-recognized bond counsel, such amendment would not, in and of itself, cause the undertakings (or action of the initial purchasers of the Bonds in reliance on the undertakings herein) to violate the Rule, as amended or officially interpreted from time to time by the Securities and Exchange Commission. The County will provide notice of such amendment to each Repository with its Annual Financial Information.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

SECTION 9. **Additional Information.** Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

SECTION 10. **Default.** Unless otherwise required by law, no Bondholder or beneficial owner of the Bonds is entitled to damages resulting from the County's noncompliance with its continuing disclosure undertakings described in this Disclosure Certificate; however, Bondholders and beneficial owners of the Bonds may take action to require performance of such obligations by any judicial proceeding available. Breach of the continuing disclosure undertakings described in this Disclosure Certificate does not constitute an event of default under the Bond Resolution, and

any rights and remedies provided in the Bond Resolution in the event of default thereunder are not applicable to a breach of the continuing disclosure undertakings described in this Disclosure Certificate. The cost to the County of performing its obligations under the provisions of this Disclosure Certificate will be paid solely from funds lawfully available for such purpose.

SECTION 11. **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. **Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[SIGNATURE ON THE FOLLOWING PAGE]

The County has caused this Continuing Disclosure Certificate to be duly executed and delivered as of the date first above written.

UPSON COUNTY, GEORGIA

By: _____
Chairman, Board of Commissioners

[SIGNATURE PAGE – CONTINUING DISCLOSURE CERTIFICATE]

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

ISSUER: Upson County, Georgia

BONDS: \$9,000,000 General Obligation Transportation Sales Tax Bonds,
Series 2024

CUSIP NUMBER: _____

DATE OF ISSUANCE: August 29, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate dated as of August 29, 2024. The Issuer anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

UPSON COUNTY, GEORGIA

By: _____ [FORM ONLY]
Chairman, Board of Commissioners

EXHIBIT B

**NOTICE TO REPOSITORIES OF THE OCCURRENCE OF
[INSERT THE LISTED EVENT]**

ISSUER: Upson County, Georgia

BONDS: \$9,000,000 General Obligation Transportation Sales Tax Bonds,
Series 2024

CUSIP NUMBER: _____

NOTICE IS HEREBY GIVEN that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to _____. [Insert instructions for presenting securities, if applicable.]

[Notice of the Listed Events described in subsection (9) of Section 5 shall include the following:

The Issuer hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Issuer hereby covenants not to exercise any optional or extraordinary redemption provisions under the Bond Resolution; however, the sinking fund provisions will survive the defeasance.

AND

The Bonds have been defeased to [maturity/first call date, which is _____ 1, 20__]. This notice does not constitute a notice of redemption, and no bonds should be delivered to the Issuer as a result of this mailing. A notice of redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

UPSON COUNTY, GEORGIA

By: _____ [FORM ONLY]
Chairman, Board of Commissioners

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