

SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**Prepared by:
Jinna L. Garrison, CPA
Administrative Services Director**

**SPALDING COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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I. INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

Rita C. Johnson, CHAIRMAN
Donald F. Hawbaker, VICE CHAIRMAN
James R. Dutton
Gwen Flowers-Taylor
Bart Miller

COUNTY MANAGER
William P. Wilson, Jr.

ASSISTANT COUNTY MANAGER
Michelle Irizarry

COUNTY ATTORNEY
James R. Fortune, Jr.

December 19, 2019

To the Honorable Rita C Johnson., Chairman,
Members of the Board of Commissioners,
and Citizens of Spalding County, Georgia:

State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Spalding County, Georgia for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Spalding County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, Spalding County's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on Spalding County's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

In accordance with certain provisions contained in the 1996 amendments to the Single Audit Act, the County is not required to issue a separate single audit report on federal programs activity for its fiscal year ended June 30, 2019. The dollar threshold of

applicability requiring a single audit is \$750,000 of which the County's program expenditures did not meet.

Profile of the government

Spalding County was created in 1851 by an act of the Legislature of the State of Georgia and is geographically located in the middle part of the state, approximately 40 miles south of Atlanta. Its land area encompasses approximately 200 square miles and serves a population of 66,100. Spalding County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Spalding County is bordered on the north by Clayton and Henry Counties, on the east by Butts County, on the south by Lamar and Pike Counties and on the west by Meriwether, Coweta and Fayette Counties. Three incorporated municipalities are located within Spalding County: Griffin, which is the County seat, Sunny Side and Orchard Hill.

The governing authority of the County is a Board of Commissioners consisting of five members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. The commissioners are responsible, among other things, for passing ordinances, adopting the budget, establishing tax rates, appointing committees and hiring both the County's Manager and attorney. In 1992, the General Assembly of Georgia created the position of County Manager for Spalding County. The County Manager is responsible for carrying out the policies and ordinances of the Spalding County Board of Commissioners, for overseeing the day-to-day operations of the County, and for appointing the heads of various departments.

Spalding County provides a full range of services, including law enforcement; corrections; the construction and maintenance of buildings, parks, streets, highways, bridges, storm-water drainage facilities, and other associated infrastructure; parks and recreational activities; 911 emergency communications; homeland security; voter registration and elections; court systems; tax assessment and collection; building inspections; geographic information systems; planning and zoning; solid waste collection and recycling; code enforcement; animal control; and general administrative and support activities. The County also provides fire protection to the unincorporated areas of the County and to the municipalities of Sunny Side and Orchard Hill on a yearly contractual basis.

This report includes all funds of the County, as well as those component units that have been determined to meet the criteria for inclusion in the County's reporting entity. The Spalding County Water and Sewerage Facilities Authority, the Spalding County Department of Health, and the Griffin-Spalding County Development Authority are all included as an integral part of Spalding County's financial statements.

The annual budget serves as the foundation for Spalding County's financial planning and control. All departments, component units and agencies of Spalding County are required to submit requests for future appropriation to the County Manager in February each year.

The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager then presents this proposed budget to the Board of Commissioners for review during the month of May. The Board of Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30th, the close of Spalding County's fiscal year. The appropriated budget is prepared by fund and department. The County Manager may make transfers of appropriations within a department. Transfers of appropriations between departments and the appropriation of additional funds, however, require the special approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Local Economy

Spalding County's economic outlook is influenced by the Atlanta region and is slowly emerging out of the recession of the last several years. During the past ten years, Spalding County's unemployment rate has fallen from an initial high of 14.70 percent in 2010 to the current low of 4.4 percent in 2019. The current unemployment rate for the State of Georgia is 3.7 percent.

The local economy shows signs of improvement in the real estate market along with commercial construction and retail shopping development. WellStar Spalding Regional Hospital, one of the county's largest employers, is actively recruiting physicians to the community and continues improving healthcare in our area. Southern Crescent Technical College completed construction of the Georgia Film Institute on the Griffin campus to meet the growing demand for qualified film and production personnel in the State of Georgia. The new facility opened in January of 2018 and has already been utilized by several crews filming in the Spalding County area. The Griffin Regional College and Career Academy is housed in the newly renovated former Spalding High School property and currently has 468 students enrolled for the 2019 – 2020 school year, almost doubling the previous year of 275 students. GRCCA offers pathway options of in-demand careers in the region as well as the state. This year aviation and logistics courses were added, both with classroom simulators. Additional pathways will be offered in the 2020-2021 school year such as drones, (a component of aviation) and cyber security.

Continuing development trends, both in terms of population and economic growth, are strongly influenced by the ongoing suburbanization of Spalding County. The issuance of single-family housing permits continued to increase steadily from 188 permits in 2018 to 273 during 2019. Spalding County expects to issue in excess of 280 permits in 2020. Pulte Homes, Inc. chose Spalding County as the perfect location for Sun City Peachtree, the largest master-planned community in the Atlanta area. This adult community of over 3,400 planned homes is touted to be an "active adult oasis" and is the first Sun City

branded product in Georgia. Sun City Peachtree opened four new pods during 2018, one new pod in 2019, and is currently reviewing plans for three pods to open in early 2020. Out of the planned 49 pods in Sun City Peachtree, 25 pods are either complete or are in development. These new residents will create a demand for additional retail and commercial services, which will fuel growth in this economic sector of our community.

Economic development continues with the announcement of our fourth industry in The Lakes at Green Valley, Georgia's first eco-friendly Industrial Park. Rinnai America opened their first US Production facility in a temporary facility in September 2018. Rinnai America will create over 300 jobs and will break ground on their permanent facility in 2020. They will join Marukan Vinegar's second U.S. Brewery, Otsuka Chemical Company, LTD's North American Headquarters and Toppan Printing Company, LTD's \$100 million-dollar investment in the park. Both Toppan Printing and Otsuka Chemical have expanded their facilities since opening in the industrial park. Several other sites within the park are currently being considered by other industries.

The Griffin-Spalding Airport Authority was formed in 2012 under an Intergovernmental Agreement (IGA) with Spalding County and the City of Griffin to provide financial support for airport operations. The County and the City are working in partnership on a \$60 million-dollar economic development project to relocate and expand the existing Griffin-Spalding County Municipal Airport. The current airport, constructed in 1939, is landlocked and expansion at the existing location is cost prohibitive. In 2009, the County and the City completed a Site Selection Study and selected a site north of Georgia Highway 16 near the new "Lakes at Green Valley" industrial park. Proximity to Interstate 75 is ideal to attract business and industry and to further enhance the local economy with "halo" effects from supply chains for parts, manufacturing, consumer goods and services to hospitality, food and beverage, and professional services.

The Federal Aviation Administration (FAA) will fund this project at 90 percent with FAA Airport Improvement Program (AIP) Trust Fund dollars and the County and City will jointly fund the remaining 10 percent in local matching funds, dependent on the amount of the Georgia Department of Transportation (GDOT) participation. We estimate five years to completion.

Progress update (1): In 2012, the Airport Authority under FAA requirement commenced an Environmental Assessment that concluded in March 2013 with no significant findings. In FAA official terms, Finding No Significant Impact (FONSI).

Then, in 2014, in conjunction with GDOT, the Airport Authority submitted and received the defined airport property development area with final approval granted in 2015.

Currently, the Airport Authority is in the process of producing a Supplemental Environmental Assessment (SEA) based on its Airport Land Acquisition Phasing Plan (ALAPP). Georgia Department of Transportation has accepted the Airport Layout Plan (ALP). The ALP is on its way through the multi-agency review process.

Progress update (2): As part of the approximate 60-million-dollar replacement Griffin-Spalding County Airport project, the Airport Authority is nearing completion of Phase-1 for Land Acquisition. Phase-1 is the GDOT/FAA approved purchase in accordance with Federal Land Acquisition and Relocation Regulations, for the first set of 41 parcels of land out of approximately 55 to 60 parcels pending acquisition. To date, the Airport Authority acquired 39 of the 41 approved parcels. Following Land Acquisition, we will move into Phase-2 Land Acquisition and Phase-1 Demolition, followed by land clearing, grading and installation of drainage controls. Soon after, runway and taxiway construction will follow.

Private, non-commercial aviation is a growing industry in which flexibility, speed, and ease of access are the trends which industrial and business entities are depending upon more and more as they become efficient and global.

Sports Tourism is a valuable component to Spalding County. Sports Tourism promotes the vision of “play IN” Spalding County. Sports that have a significant economic impact in this area are disc golf, basketball, baseball, and pickleball and our state-of-the-art facilities are known nationwide. These sports increase awareness of Spalding County and the City of Griffin for both tourism and economic development purposes.

The economic forecast for Spalding County expects a continuation of these evolving trends with a focus on becoming an educational destination south of Atlanta. Spalding County expects to see substantial residential growth in the next decade and beyond. While many of these new residents will commute throughout the Atlanta region, it is expected that a number of these residents will be working in Spalding County. Considerable new commercial and industrial development is anticipated as businesses capitalize on Spalding County’s South Atlanta metro location, while enjoying the benefits of the County’s dedicated, growing, and increasingly sophisticated workforce.

Long term financial planning and major initiatives

Spalding County was made a part of the Atlanta Regional Commission (ARC) for transportation planning purposes in 2005. The ARC model requires a more comprehensive approach for funding transportation needs than has been required in the past. The Cities of Griffin, Orchard Hill and Sunny Side, in cooperation with Spalding County, worked together and completed a Joint City of Griffin-Spalding County Comprehensive Transportation Plan Update. The purpose of the CTP is to increase the use of alternatives to driving alone by developing a comprehensive transportation planning program that identifies specific transportation projects and other programs to improve mobility and system connectivity, expand mixed-uses, and support further development and increase alternative modes of travel. Recently, in partnership with the ARC and the City of Griffin, Spalding County staff has kicked off a study to identify opportunities to better promote economic development and improve freight operations within the County. This study, known as the Freight Cluster Study will build on the current business climate within the County based on regional trends and best practices. This study is scheduled for completion in June 2020.

Voters overwhelmingly approved a six-year Special Purpose Local Option Sales Tax (SPLOST) in a November 2015 referendum and collection of the sales tax commenced on April 1, 2016. Revenues through the first 39 months of collections have exceeded estimates by 6.91% and are anticipated to continue to increase in the coming years. The SPLOST will provide funding for a variety of projects for the cities of Griffin, Orchard Hill and Sunny Side as well as Spalding County. The City of Griffin and Spalding County issued general obligation bonds in early 2016 to fund a portion of the projects included on the ballot. The remainder of the projects will be funded on a “pay as you go” basis over six years of tax collections. Over 90% of the bonded projects have been completed and the remaining projects are well underway. Completed bonded projects include the construction of a Pickleball tournament complex, the complete renovation of the Fairmont Community Center, upgrade of the judicial system computers and software, upgrade of Spalding County’s 911 Computer Aided Dispatch and telephone system at the Spalding County 911 Center, equipment for a Senior Nutrition program, soccer field lighting, relocation of an 800 MHz tower, and the retirement of outstanding long-term debt.

Improvements to Orchard Hill and Sunny Side parks, the purchase of a new fire truck and extrication tools, and the purchase of vehicles and equipment for the Sheriff’s CAGE Unit have all been completed with pay as you go SPLOST funds. Work continues on County parks and transportation improvements. Most recently the County has begun the construction of “Hill Street Intersection#3” which will provide a safer route of transportation on one of the County’s more heavily traveled thoroughfares. The Fire Department will receive two new Quick Response Vehicles and a new pumper truck by the end of 2019. Finally, the County is working with architectural firms to provide for the relocation and construction of the New Spalding County Animal Shelter and a location for a new Aquatics Center is to be finalized in the first quarter of 2020.

Spalding County, the City of Griffin and the Griffin Housing Authority jointly commissioned a housing study to provide an analysis of the housing conditions and needs of our community. This 2018 Study is intended to support planning efforts for the local partners in preparing for future growth, supporting housing options, improving the aesthetic quality of neighborhoods and contributing to economic development. A major initiative of Spalding County is housing revitalization and removal of blight. The goal is to enhance neighborhood vitality by removing debris and overgrown vegetation, ensuring buildings are structurally sound and working towards demolition of dilapidated and unsafe structures.

In 2015 Spalding County, the City of Griffin and the Griffin-Spalding County School System, entered into a multi-year partnership with the University of Georgia Archway program to make collaborative decisions regarding the future of our community. The Archway Partnership is a Public Service and Outreach Unit at the University of Georgia and delivers a full range of University of Georgia resources and other resources to the community. The Archway partnership provides a neutral platform where government leaders, community leaders and groups can come together to discuss the needs of the

community and connect to higher education resources. A diverse group of local leaders serve on the Archway Executive Committee, giving direction through multiple voices on different ways to address community-driven priorities. Each year these three governmental units hold a retreat facilitated by the University of Georgia to develop a united action plan for the upcoming year. Since the inception of the program there has been over 50 students engaged in the program with over 20 faculty partnerships that generated over 40 projects. Those projects included a public relation/re-branding campaign implemented by the City of Griffin and Spalding County, re-invention of the Leadership Griffin-Spalding program designed to inspire individuals to get involved in the local community, and #RenewGriffin, a Young Professionals Community Development Program. The Archway Partnership also produced a Christmas assistance brochure which was developed through the Charity Tracker workgroup. Charity Tracker encouraged and enrolled most of the local charities in a tracking system for identification of recipients at Christmas in order to avoid abuse and duplication of services, and to better understand the needs of the community. The return on the local investment is minimal compared to the dollar value of these projects alone, but the real return on the investment is the benefit to the community by having all three groups operating to accomplish a single set of goals rather than operating independently in a vacuum.

Relevant financial policies

Spalding County's budget ordinance requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). Fiscal year 2019 General Fund actual revenues were less than appropriations (\$45,029,342 versus \$45,852,830), however, no appropriation of fund balance was necessary to balance the budget since actual expenditures were less than appropriations (\$44,297,702 versus \$47,246,588). Spalding County saw an increase in fund balance of \$260,965 for fiscal year 2019.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spalding County for its comprehensive annual financial report for the year ended June 30, 2018. This was the eighteenth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

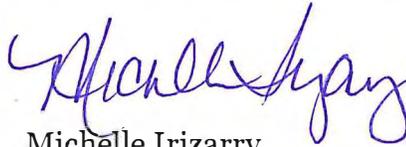
Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the skill, effort and dedication of the entire staff of the Finance and Administration departments. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Finally, we would like to thank the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Spalding County's finances.

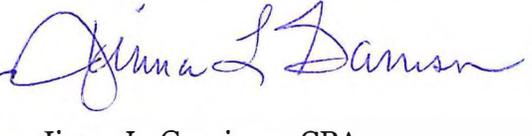
Respectfully submitted,



William P. Wilson, Jr.
County Manager



Michelle Irizarry
Assistant County Manager



Jinna L. Garrison, CPA
Administrative Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Spalding County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

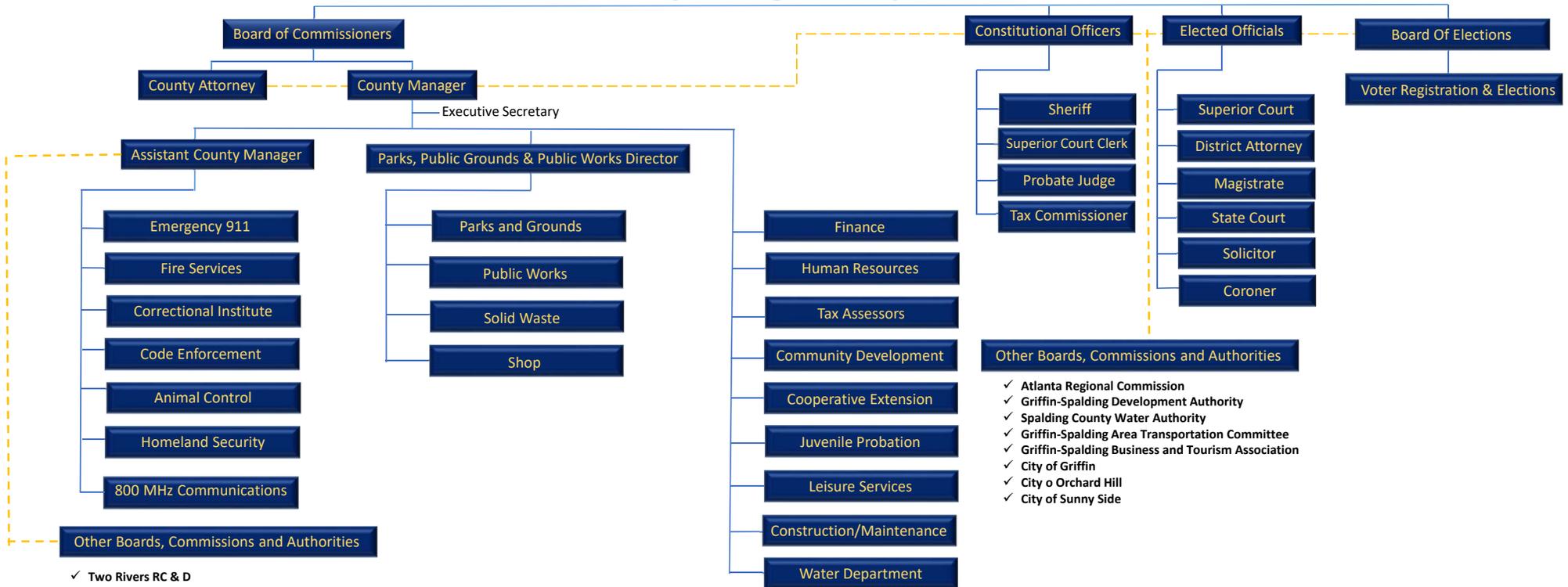
June 30, 2018

Christopher P. Morill

Executive Director/CEO

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Citizens of Spalding County



**SPALDING COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2019**

BOARD OF COMMISSIONERS

Rita C. Johnson, Chairman
Donald F. Hawbaker, Vice-Chairman
James R. Dutton
Bart Miller
Gwen Flowers-Taylor

COUNTY MANAGER

William P. Wilson, Jr.

ASSISTANT COUNTY MANAGER

Michelle Irizarry

ADMINISTRATIVE SERVICES DIRECTOR

Jinna L. Garrison, CPA

COUNTY ATTORNEY

James R. Fortune, Jr.

SHERIFF

James Darrell Dix

TAX COMMISSIONER

Sylvia W. Hollums

CLERK OF SUPERIOR COURT

Debbie L. Brooks

STATE COURT JUDGE

Josh W. Thacker

PROBATE COURT JUDGE

Jan Hunt

MAGISTRATE COURT JUDGE

Rita L. Cavanaugh

DISTRICT ATTORNEY

Benjamin Coker

SUPERIOR COURT JUDGES

Christopher C. Edwards
W. Fletcher Sams
Robert Mack Crawford
Scott Ballard

II. FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia**

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Spalding County, Georgia** (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority, whose statements reflect total assets of \$1,575,981 and \$18,261,347, respectively, total net position of \$112,287 and \$18,247,579, respectively, and total revenues of \$1,593,167 and \$354,129, respectively, which collectively represent 34.38%, 40.35%, and 17.86%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Fire District Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 4 through 13), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (page 74), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 75), and the Schedule of County Contributions (page 76) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the statistical section, and the continuing disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

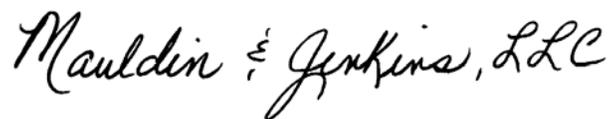
The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia ("O.C.G.A.") §48-8-121, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical sections and the continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, 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 the County's, 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.



Macon, Georgia
December 19, 2019

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SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019

As management of Spalding County, Georgia (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of Spalding County exceeded its liabilities at June 30, 2019 by \$98,874,363 (net position), an increase of \$6,313,559 in comparison with the prior year. Of this amount, \$81,336,766 represents the County's investment in capital assets, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. \$21,399,966 is restricted by constraints imposed externally from outside the County such as grant and debt covenants, laws and regulations, and other governments. The remaining balance of unrestricted net position is a deficit of \$3,862,369.
- At June 30, 2019, the County's governmental funds reported combined ending fund balances of \$28,819,240, an increase of \$5,954,078 or 26.04% in comparison with the prior year. Of this amount, \$2,183,949 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2019, the County's General Fund reported a total fund balance of \$6,225,647, an increase of \$260,965 over the prior year. The General Fund's unassigned fund balance was \$2,293,851, a decrease of \$1,684,890, or 42.35% in comparison with the prior year.
- The County's 2008 SPLOST Capital Projects Fund closed fiscal year 2019 with a fund balance of \$2,276,262. The 2008 SPLOST ended December 31, 2014 and is being used for various city and county infrastructure projects, as well as a new industrial park and a new classroom facility at Southern Crescent Technical College.
- The County's 2016 SPLOST Capital Projects Fund generated a total of \$4,088,675 in sales tax revenues and closed fiscal year 2019 with a fund balance of \$10,106,763. The 2016 SPLOST began April 1, 2016 and is being used to retire outstanding City of Griffin and Spalding County debt as well as various other City and County projects.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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 a private-sector business.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of net position presents information on all of 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 in this statement 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, judiciary, public safety, highways and streets, community services, culture and recreation, housing and development, and tourism.

The government-wide financial statements include not only the County itself (known as the primary government), but also the Spalding County Department of Public Health, the Griffin-Spalding County Development Authority and the Spalding County Water and Sewerage Facilities Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. 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 14 – 16 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 of 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 evaluating 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire District, 2008 SPLOST Capital Projects and 2016 Capital Projects funds which are considered to be major funds. Data from the other 15 governmental funds are combined into a single aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general, special revenue, and capital projects funds. A budgetary comparison statement has been provided for the General Fund and Fire District Fund to demonstrate compliance with this budget. These statements are found on pages 22 – 25. The basic governmental fund financial statements can be found on pages 14 – 21. Budgetary comparisons have also been included in the combining statements for other governmental funds with legally adopted annual budgets.

Proprietary Funds. The County uses an internal service fund to account for its Workers' Compensation Trust Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements are presented on pages 26 – 28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected 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 statement of fiduciary assets and liabilities can be found on page 29 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 31 – 73 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 obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 74 – 76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Along with the combining statements are budget to actual schedules for all governmental funds. Combining and individual fund statements and schedules can be found on pages 77 – 104 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide 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 by \$98,874,363 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (88.48%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and intangible assets); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Spalding County's Net Position – Governmental Activities

	2019	2018
Current and other assets	\$ 33,932,915	\$ 28,255,352
Capital assets	93,612,165	94,161,850
Total assets	127,545,080	122,417,202
Deferred outflow of resources	3,876,957	1,399,308
Long-term liabilities outstanding	24,117,292	24,563,405
Other liabilities	3,921,628	3,893,044
Total liabilities	28,038,920	28,456,449
Deferred inflow of resources	4,508,755	2,799,257
Net position:		
Net investment in capital assets	81,336,766	81,899,912
Restricted	21,399,966	16,753,035
Unrestricted	(3,862,370)	(6,092,143)
Total net position	\$ 98,874,362	\$ 92,560,804

An additional portion of the County's net position (21.64%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$3,862,369 and is a result of the implementation of GASB 68 and 71, which requires the County to record their portion of the net pension liability. The County's deficit in unrestricted net position decreased \$2,229,774 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$6,313,559 over the prior fiscal year for an ending balance of \$98,874,363. Key elements of the decrease in net position are as follows:

Spalding County's Changes in Net Position

	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 12,217,849	\$ 11,612,242
Operating grants and contributions	1,790,001	1,693,743
Capital grants and contributions	348,719	543,005
General revenues:		
Property taxes	27,825,071	25,483,255
Other taxes	18,043,261	16,721,150
Investment income	111,323	112,951
Total revenues	60,336,224	56,166,346
Expenses		
General government	6,398,786	7,094,473
Judicial	4,754,535	4,749,565
Public safety	32,358,206	32,043,298
Public works	4,665,063	6,655,312
Health and welfare	1,024,892	994,880
Culture and recreation	2,876,231	3,192,941
Housing and development	1,360,182	4,590,713
Interest on long-term debt	584,771	558,406
Total expenses	54,022,666	59,879,588
Change in net position	6,313,558	(3,713,242)
Net position, beginning of year, as restated	92,560,804	96,274,046
Net position, end of year	\$ 98,874,362	\$ 92,560,804

Governmental activities total revenues were \$60,336,224 at June 30, 2019, an increase of \$4,169,878, or 7.42% over the prior year. Charges for services increased \$605,607 over the previous fiscal year primarily due to increased court fines and impact fees. Operating grants and contributions increased \$96,258 over the previous fiscal year. Capital grants and contributions decreased \$194,286 during 2019 due to the receipt of federal and state reimbursements for Hurricane Irma storm damage and the receipt of an Assistance to Firefighter's grant for breathing apparatus in the previous year.

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections provided 46.12% of total revenues during 2019 as compared to 45.37% in 2018. Although the tax digest increased 2.01% over the previous year, the County raised the millage rate 1.175 mils and appropriated a portion of fund balance to fund the fiscal 2019 budget. Sales tax collections increased \$816,555 over the prior year and provided 18.32% of total revenues during fiscal year 2019 as compared to 18.22% in fiscal year 2018.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities total expenses were \$54,022,665 at the end of fiscal 2019, a decrease of \$5,856,923, or 9.78% over the prior year. Key elements of changes from the prior year were in the following functional areas:

- General government expenses decreased \$695,687 in the current year primarily due to the purchase of new equipment system-wide for the County's 800MHz communication system in the previous fiscal year.
- Judicial expenses increased \$4,970
- Public safety expenses increased \$314,907 primarily due to an increase in capital outlay.
- Public works expenses decreased \$1,990,249 primarily due to the completion of the North Hill Street roundabout which was a 2008 SPLOST transportation project.
- Health and welfare expenses increased \$30,012 due to increased food costs for the Senior Nutrition Program.
- Culture and recreation increased \$316,710 over the previous fiscal year due to an increase in capital outlay.
- Housing and development expenses decreased \$3,230,531 due to the completion of a classroom facility on the Southern Crescent Technical College campus using 2008 SPLOST funds.
- Interest on long-term debt increased \$26,365 due to the addition of bonded debt for the Griffin-Spalding County Airport Authority and new capital leases.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 Commissioners.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$28,819,240, an increase of \$5,954,078 in comparison with the prior year. Approximately 7.59% of this total amount (\$2,183,949) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, \$21,741,099 is restricted for public safety, capital projects, and debt service and \$4,894,192 is assigned for various intended purposes.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the general fund increased by \$260,965 to \$6,225,647. Unassigned fund balance of the general fund decreased by \$1,684,890 from the prior year to \$2,293,851. This decrease was due to an increase of assigned fund balance to fund the subsequent year's budget. 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 fund expenditures. Unassigned fund balance represents 5.18% of total general fund expenditures, while total fund balance represents 14.05% of that same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Fire District Fund accounts for services provided to citizens residing and businesses located in unincorporated Spalding County. These services are funded by a special tax levy and insurance premium tax. The Fire District Fund ended the current fiscal year with a total fund balance of \$2,878,506, which is an increase of \$312,575 over the previous year. The primary reason for the increase in fund balance is a substantial increase in the fiscal 2019 insurance premium tax proceeds.

The 2008 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2008 General Obligation Sales Tax Bonds and the 2008 1% Special Purpose Local Option Sales Tax. The 2008 SPLOST has funded a new industrial park, a continuing education building on the local Southern Crescent Technical College campus and various infrastructure and capital improvements for the County and the cities of Griffin, Orchard Hill and Sunny Side. The final project to be funded by this SPLOST will be water and sewer infrastructure improvements to the North Hill Street corridor part of the County. At the end of fiscal year 2019 the 2008 SPLOST Capital Projects fund had a restricted fund balance of \$2,276,262, which is a decrease of \$166,724 from the previous year. The primary reason for the decrease in fund balance is the completion of the SCTC continuing education building coupled with the absence of a funding source since the 2008 SPLOST ended December 31, 2014.

The 2016 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2016 General Obligation Sales Tax Bonds and the 2016 1% Special Purpose Local Option Sales Tax. The 2016 SPLOST has funded the acquisition and installation of a Computer Aided Dispatch and phone system for E-911, a judicial computer system, and acquisition of fire apparatus and equipment. The 2016 SPLOST also funded the retirement of outstanding indebtedness for the County and the City of Griffin, a world-class Pickleball complex, and a recently completed renovation of the Fairmont Community Center and park. Future projects to be funded with this SPLOST are an aquatics center, the renovation of the Spalding County Animal Control Shelter and various parks, infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. At the end of fiscal year 2019 this fund had a restricted fund balance of \$10,106,763.

Proprietary Funds. The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Workers' Compensation Trust Fund is the only proprietary fund of the County. It is an internal service fund where assets are set aside for workers' compensation claim settlements. Unrestricted net position of the Workers' Compensation Trust Fund was \$925,831 at the end of fiscal year 2019.

General Fund Budgetary Highlights

Original budget compared to final budget. The net differences between the General Fund expenditures original budget and the final amended budget were \$1,266,515 and can be summarized as follows:

- Increase in general government activities - \$97,085, due primarily to capital asset purchases;
- Increase in judicial functions - \$15,500, due to an increase in various courts caseloads;
- Increase in public safety functions - \$442,433, due to capital asset purchases;
- Increase in public works functions - \$633,300, due to capital asset purchases;
- Increase in health and welfare functions - \$6,000, due primarily to medical supplies;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Increase in culture and recreation functions - \$44,836, due primarily to capital asset purchases;
- Increase in housing and development functions - \$27,361 due primarily to capital asset purchases.

These increases were funded by capital leases, grants and appropriations of fund balance

Final budget compared to actual results. Actual General Fund revenues of \$45,029,342 were less than final budgeted revenues of \$45,852,830 by \$823,488. The most significant difference between estimated revenues and actual revenues was a \$2,122,761 shortfall in property taxes. The County typically budgets 100% of the projected millage rate for property taxes with the knowledge that it will not all be collected in the current year. Property tax collection rates are generally 91% to 95% in the current budget year with the remainder collected in subsequent years. Actual General Fund expenditures of \$44,297,702 were less than final budgeted expenditures of \$47,246,588 by \$2,948,886. The excess of revenues over expenditures in the amount of \$731,640 plus \$470,675 in net other financing uses resulted in an overall increase of \$260,965 in fund balance. A united effort by the County elected officials, department heads and employees to reduce operating expenditures contributed to this large variance in expenditures. Also, at the end of fiscal year 2019, as in 2018, there was over \$1 million in public safety lapsed salaries and benefits due to the County's inability to compete in the metro Atlanta salary marketplace. In order to be more competitive, the County implemented a new pay and classification plan and an enhanced pension plan during fiscal year 2019.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$93,612,165 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, park facilities, roads, highways, and bridges.

Spalding County's Capital Assets (Net of Depreciation)

	Governmental Activities	Governmental Activities
	2019	2018
Land	\$ 3,132,527	\$ 3,132,527
Construction in progress	847,826	1,050,329
Land improvements	4,305,187	4,448,723
Buildings and improvements	26,001,967	25,937,740
Machinery and equipment	16,678,772	16,832,914
Furniture and fixtures	36,000	42,780
Intangibles	151,592	198,896
Infrastructure (roads)	42,458,294	42,517,941
Total	\$ 93,612,165	\$ 94,161,850

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall, governmental capital assets decreased by a net amount of \$549,685, or .58% during 2019. The decrease in investment in capital assets is primarily due to a decrease in construction in progress and an increase in depreciation from the prior year. A total of \$994,275 was transferred from construction in progress to depreciable capital assets and depreciation expense of capital assets amounted to \$4,706,648.

Total depreciable governmental capital assets added during 2019 amounted to \$3,365,191. Capital asset additions consisted of the following:

- \$47,302 in vehicles for general government purposes;
- \$20,965 in vehicles for judicial purposes;
- \$601,802 in vehicles and equipment for public safety purposes;
- \$643,480 in vehicles and equipment for public works purposes;
- \$607,009 in vehicles and equipment for culture and recreation purposes;
- \$27,360 in vehicles for housing and development purposes; and
- \$1,417,273 in donated subdivision roads accepted by the County.

Additional information on the County's capital assets can be found in Note 6 on pages 49 – 50 of this report.

Long-term Debt. At the end of the current fiscal year, the County had \$9,282,203 in total bonded debt outstanding, including premiums. The issuance is in the form of general obligation bonds related to the 2016 Special Purpose Local Option Sales Tax and is backed by the full faith and credit of the government.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total taxable property assessed valuation. The current debt limitation for the County is \$140,404,642, which is significantly in excess of Spalding County's outstanding general obligation debt.

The County has received an "A1" rating from Moody's for general obligation debt. Additional information regarding the County's long-term debt can be found in Note 7 on pages 51 – 57 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets

The following economic factors currently affect the County and were considered in developing the fiscal 2020 budget:

- The unemployment rate for the County is currently 4.4%, which is a slight decrease from a rate of 4.8% one year ago. The unemployment rate for the State of Georgia at June 30, 2019, is 3.7%.
- Both the national and local economies continue to show signs of recovery from the 2008 recession. The County's sales tax revenues have steadily increased each of the last three fiscal years and during fiscal year 2019 building permit and impact fee revenues increased significantly over the prior year. The County is hopeful this positive revenue trend will continue.
- The 2018 tax digest increased \$26,491,506, or 1.84% from January 1, 2017 to January 1, 2018. The increase from January 1, 2018 to January 1, 2019 was \$29,427,701, or 2.01%. We anticipate that the County's tax digest will continue to grow at a steady rate as the economy continues to grow.
- The County implemented a new pay and classification plan July 1, 2018 and a new defined benefit pension plan with a 2% multiplier January 1, 2019.
- The cost of employee health insurance increased significantly for fiscal 2020.

All of these factors were taken into consideration when preparing the 2020 budget. During the current fiscal year, unassigned fund balance in the general fund was \$2,293,851. The County has assigned \$3,176,677 of fund balance for spending in the fiscal 2020 budget. This action was taken as an additional measure to mitigate the impact of increased employee salaries and benefits in the 2020 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of Spalding 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 Administrative Services Director, Spalding County, P.O. Box 1087, Griffin, Georgia 30224.

BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	Primary Government		Component Units	
	Governmental	Health	Development	Water
	Activities	Department	Authority	Authority
ASSETS				
Cash and cash equivalents	\$ 28,530,645	\$ 1,017,212	\$ 1,471,539	\$ 13,656,744
Investments	1,736,441	480,244	1,750,000	-
Property taxes receivable	1,114,470	-	-	-
Accounts receivable	540,125	-	37,848	1,146,719
Due from other governments	1,374,126	70,185	970	-
Due from primary government	-	-	-	2,040
Restricted assets:				
Bond sinking fund	-	-	-	875,936
Fair value of interest rate swap	637,108	-	-	-
Capital assets, non-depreciable	3,980,353	-	14,683,444	13,500
Capital assets, depreciable (net of accumulated depreciation)	89,631,812	8,340	317,546	22,163,173
Total assets	127,545,080	1,575,981	18,261,347	37,858,112
DEFERRED OUTFLOWS OF RESOURCES				
Pension	3,488,690	266,821	-	-
Other post-employment benefit	388,267	196,865	-	-
Deferred charges on refunding	-	-	-	49,823
Total deferred outflows of resources	3,876,957	463,686	-	49,823
LIABILITIES				
Accounts payable	943,880	55,612	1,310	171,905
Accrued liabilities	1,343,998	-	-	8,801
Accrued interest payable	220,578	-	-	118,323
Due to other governments	4,473	-	-	-
Due to component unit	2,040	-	-	-
Claims payable due within one year	135,702	-	-	-
Claims payable due in more than one year	145,843	-	-	-
Capital leases due within one year	134,538	-	-	-
Capital leases due in more than one year	683,319	-	-	-
Bonds payable due within one year	-	-	-	810,000
Bonds payable due in more than one year	9,282,203	-	-	9,642,190
Compensated absences due within one year	761,859	37,850	12,458	9,534
Compensated absences due in more than one year	507,906	69,636	-	5,494
Certificates of participation due in more than one year	2,500,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due within one year	237,500	-	-	-
Due to Griffin-Spalding County Airport Authority, due in more than one year	2,815,000	-	-	-
Landfill due within one year	137,060	-	-	-
Landfill due in more than one year	414,060	-	-	-
Total other post-employment benefit liability	1,695,886	478,557	-	-
Net pension liability	6,073,075	981,797	-	-
Total liabilities	28,038,920	1,623,452	13,768	10,766,247
DEFERRED INFLOWS OF RESOURCES				
Pension	3,871,647	22,625	-	-
Other post-employment benefit	-	281,303	-	-
Accumulated increase in fair value of hedging activities	637,108	-	-	-
Total deferred inflows of resources	4,508,755	303,928	-	-
NET POSITION				
Net investment in capital assets	81,336,766	8,340	15,000,990	11,774,308
Restricted for:				
Grant purposes	11,341	-	-	-
Judicial	519,794	-	-	-
Public safety	3,315,398	-	-	-
Capital projects	15,214,169	-	-	-
Debt service	2,094,341	-	-	-
Housing and development	244,923	-	-	-
Other purposes	-	738,882	-	-
Unrestricted	(3,862,370)	(634,935)	3,246,589	15,367,380
Total net position	\$ 98,874,362	\$ 112,287	\$ 18,247,579	\$ 27,141,688

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
General government	\$ 6,398,786	\$ 1,662,159	\$ 36,591	\$ 110,131
Judicial	4,754,535	2,415,084	177,636	20,142
Public safety	32,358,206	6,756,048	149,533	34,489
Public works	4,665,063	315,528	848,356	183,957
Health and welfare	1,024,892	-	560,338	-
Culture and recreation	2,876,231	493,469	17,547	-
Housing and development	1,360,182	575,561	-	-
Interest on long-term debt	584,771	-	-	-
Total primary government	<u>\$ 54,022,666</u>	<u>\$ 12,217,849</u>	<u>\$ 1,790,001</u>	<u>\$ 348,719</u>
Component units:				
Health Department	\$ 1,369,527	\$ 842,487	\$ 745,731	\$ -
Development Authority	2,029,026	-	312,450	2,345
Water Authority	7,874,308	8,931,647	-	-
Total component units	<u>\$ 11,272,861</u>	<u>\$ 9,774,134</u>	<u>\$ 1,058,181</u>	<u>\$ 2,345</u>

General revenues:
Property taxes
Alcoholic beverage taxes
Vehicle taxes
Sales taxes
Intangible taxes
Insurance premium taxes
Hotel/motel taxes
Other taxes
Unrestricted investment earnings
Total general revenues
Change in net position
Net position, beginning of year
Net position, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position

Primary Government Governmental Activities	Component Units		
	Health Department	Development Authority	Water Authority
\$ (4,589,905)	\$ -	\$ -	\$ -
(2,141,673)	-	-	-
(25,418,136)	-	-	-
(3,317,222)	-	-	-
(464,554)	-	-	-
(2,365,215)	-	-	-
(784,621)	-	-	-
(584,771)	-	-	-
<u>(39,666,097)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	218,691	-	-
-	-	(1,714,231)	-
-	-	-	1,057,339
<u>-</u>	<u>218,691</u>	<u>(1,714,231)</u>	<u>1,057,339</u>
27,825,071	-	-	-
338,099	-	-	-
2,702,707	-	-	-
11,051,719	-	-	-
366,664	-	-	-
2,610,028	-	-	-
294,857	-	-	-
679,187	-	-	-
111,323	4,949	39,334	21,206
<u>45,979,655</u>	<u>4,949</u>	<u>39,334</u>	<u>21,206</u>
6,313,558	223,640	(1,674,897)	1,078,545
92,560,804	(111,353)	19,922,476	26,063,143
<u>\$ 98,874,362</u>	<u>\$ 112,287</u>	<u>\$ 18,247,579</u>	<u>\$ 27,141,688</u>

SPALDING COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2019

ASSETS	General	Fire District	Capital Projects 2008 SPLOST	Capital Projects 2016 SPLOST
Cash and cash equivalents	\$ 6,585,660	\$ 2,995,313	\$ 2,358,436	\$ 10,291,954
Investments	-	-	-	-
Property taxes receivable, net	893,591	220,879	-	-
Accounts receivable	301,270	6,057	3,789	15,436
Due from other governments	825,861	-	-	-
Due from other funds	304,342	44,216	-	-
Total assets	\$ 8,910,724	\$ 3,266,465	\$ 2,362,225	\$ 10,307,390
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 682,477	\$ 42,651	\$ -	\$ -
Accrued liabilities	1,156,628	144,250	-	-
Due to other funds	70,190	-	85,963	200,627
Due to other governments	-	-	-	-
Due to component unit	2,040	-	-	-
Total liabilities	1,911,335	186,901	85,963	200,627
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	773,742	201,058	-	-
Total deferred inflows of resources	773,742	201,058	-	-
FUND BALANCES				
Fund balances:				
Restricted for:				
Grant purposes	-	-	-	-
Judicial	-	-	-	-
Public safety	-	2,033,618	-	-
Culture and recreation	-	-	-	-
Capital projects	-	-	2,276,262	10,106,763
Debt service	-	-	-	-
Housing and development	-	-	-	-
Assigned for:				
General government	8,283	-	-	-
Public safety	143,851	844,888	-	-
Public works	42,026	-	-	-
Culture and recreation	6,096	-	-	-
Housing and development	8,140	-	-	-
Capital projects	293,465	-	-	-
Sales taxes	239,915	-	-	-
Tricentennial Celebration	1,986	-	-	-
Memorial Gifts	11,357	-	-	-
Subsequent year's budget	3,176,677	-	-	-
Unassigned	2,293,851	-	-	-
Total fund balances	6,225,647	2,878,506	2,276,262	10,106,763
Total liabilities, deferred inflows of resources and fund balances	\$ 8,910,724	\$ 3,266,465	\$ 2,362,225	\$ 10,307,390

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period Expenditures and, therefore, are deferred in the funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
- Deferred outflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.
- Deferred inflows of resources related to pensions are not available in the current period and, therefore, are not reported in the funds.
- Deferred outflows of resources related to other post-employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.
- Internal service funds are used by management to charge the costs of various benefits and services to individual funds, and the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,274,758	\$ 28,506,121
558,039	558,039
-	1,114,470
202,632	529,184
548,265	1,374,126
35,312	383,870
<u>\$ 7,619,006</u>	<u>\$ 32,465,810</u>
\$ 212,261	\$ 937,389
43,120	1,343,998
27,090	383,870
4,473	4,473
-	2,040
<u>286,944</u>	<u>2,671,770</u>
-	974,800
<u>-</u>	<u>974,800</u>
11,341	11,341
519,794	519,794
1,298,252	3,331,870
-	-
3,155,805	15,538,830
2,094,341	2,094,341
244,923	244,923
-	8,283
-	988,739
-	42,026
-	6,096
-	8,140
117,508	410,973
-	239,915
-	1,986
-	11,357
-	3,176,677
(109,902)	2,183,949
<u>7,332,062</u>	<u>28,819,240</u>
<u>\$ 7,619,006</u>	
	93,612,165
	337,692
	(24,825,876)
	3,488,690
	(3,871,647)
	388,267
	925,831
	<u>\$ 98,874,362</u>

SPALDING COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Fire District</u>	<u>Capital Projects 2008 SPLOST</u>	<u>Capital Projects 2016 SPLOST</u>
REVENUES				
Property taxes	\$ 24,257,227	\$ 3,535,401	\$ -	\$ -
Alcoholic beverage taxes	338,099	-	-	-
Vehicle taxes	2,702,707	-	-	-
Sales taxes	5,732,464	-	-	4,088,675
Other taxes	987,394	2,668,485	-	-
Licenses and permits	543,445	-	-	-
Intergovernmental	1,082,783	107,817	-	-
Charges for services	5,120,071	-	-	-
Court fees, fines, and forfeitures	1,897,627	-	-	-
Interest	20,142	-	44,241	139,716
Contributions and donations	12,547	-	-	-
Rentals	194,330	-	-	-
Other	2,140,506	1,206	-	500
Total revenues	<u>45,029,342</u>	<u>6,312,909</u>	<u>44,241</u>	<u>4,228,891</u>
EXPENDITURES				
Current:				
General government	6,201,924	-	-	-
Judicial	4,681,038	-	-	-
Public safety	23,414,317	5,892,597	-	-
Public works	5,279,609	-	-	-
Health and welfare	466,250	-	-	-
Culture and recreation	3,003,876	-	-	-
Housing and development	1,080,621	-	-	-
Capital outlay	-	61,607	210,665	778,031
Debt service:				
Principal	129,608	-	-	-
Interest	40,459	-	300	-
Total expenditures	<u>44,297,702</u>	<u>5,954,204</u>	<u>210,965</u>	<u>778,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>731,640</u>	<u>358,705</u>	<u>(166,724)</u>	<u>3,450,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	816,878	-	-	422,377
Transfers out	(1,835,493)	(46,130)	-	-
Capital lease	547,940	-	-	-
Total other financing sources (uses)	<u>(470,675)</u>	<u>(46,130)</u>	<u>-</u>	<u>422,377</u>
Net change in fund balances	260,965	312,575	(166,724)	3,873,237
FUND BALANCES, beginning of year	<u>5,964,682</u>	<u>2,565,931</u>	<u>2,442,986</u>	<u>6,233,526</u>
FUND BALANCES, end of year	<u>\$ 6,225,647</u>	<u>\$ 2,878,506</u>	<u>\$ 2,276,262</u>	<u>\$ 10,106,763</u>

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 27,792,628
-	338,099
-	2,702,707
-	9,821,139
294,857	3,950,736
-	543,445
1,745,375	2,935,975
1,973,169	7,093,240
306,821	2,204,448
137,855	341,954
-	12,547
-	194,330
104,479	2,246,691
<u>4,562,556</u>	<u>60,177,939</u>
77,184	6,279,108
117,855	4,798,893
1,735,770	31,042,684
-	5,279,609
540,046	1,006,296
-	3,003,876
199,871	1,280,492
90,400	1,140,703
232,500	362,108
537,273	578,032
<u>3,530,899</u>	<u>54,771,801</u>
<u>1,031,657</u>	<u>5,406,138</u>
1,881,623	3,120,878
<u>(1,239,255)</u>	<u>(3,120,878)</u>
-	547,940
<u>642,368</u>	<u>547,940</u>
1,674,025	5,954,078
<u>5,658,037</u>	<u>22,865,162</u>
<u>\$ 7,332,062</u>	<u>\$ 28,819,240</u>

SPALDING COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds	\$	5,954,078
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(549,685)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		32,443
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		112,878
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.		838,005
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		<u>(74,161)</u>
Change in net position - governmental activities	\$	<u><u>6,313,558</u></u>

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 26,379,873	\$ 26,379,988	\$ 24,257,227	\$ (2,122,761)
Alcoholic beverage taxes	353,000	353,000	338,099	(14,901)
Vehicle taxes	1,835,000	1,835,000	2,702,707	867,707
Sales taxes	5,300,000	5,300,000	5,732,464	432,464
Other taxes	1,134,500	1,134,500	987,394	(147,106)
Licenses and permits	446,000	446,000	543,445	97,445
Intergovernmental	962,500	1,083,687	1,082,783	(904)
Charges for services	5,319,405	5,319,405	5,120,071	(199,334)
Court fees, fines, and forfeitures	1,797,500	1,797,500	1,897,627	100,127
Interest	32,000	16,000	20,142	4,142
Contributions and donations	-	-	12,547	12,547
Rentals	193,760	193,760	194,330	570
Other	1,969,302	1,993,990	2,140,506	146,516
Total revenues	45,722,840	45,852,830	45,029,342	(823,488)
EXPENDITURES				
Current:				
General government:				
Board of commissioners	420,995	420,995	401,525	19,470
Board of elections	251,637	251,637	242,467	9,170
Administration	353,016	357,566	297,537	60,029
Finance	146,792	146,792	141,069	5,723
Information systems	186,500	186,500	155,947	30,553
Human resources	202,887	202,887	197,176	5,711
Tax commissioner	1,053,959	1,053,959	941,131	112,828
Tax assessors	694,543	695,220	569,887	125,333
Construction and maintenance	439,258	486,560	439,946	46,614
Janitorial services	119,630	119,630	105,024	14,606
General appropriations	2,772,315	2,816,871	2,710,215	106,656
Total general government	6,641,532	6,738,617	6,201,924	536,693
Judicial:				
Superior court	241,000	241,000	212,699	28,301
Griffin judicial circuit	426,040	431,540	336,652	94,888
Clerk of court	927,416	927,416	870,550	56,866
District attorney	496,075	496,075	495,028	1,047
State court	732,714	742,714	739,479	3,235
Accountability court	183,745	183,745	158,687	25,058
Solicitor	375,012	375,012	323,849	51,163
Magistrate court	874,829	874,829	822,689	52,140
Probate court	262,207	262,207	263,748	(1,541)
Public defender	60,826	60,826	53,052	7,774
Public defender circuit	404,605	404,605	404,605	-
Total judicial	4,984,469	4,999,969	4,681,038	318,931

(Continued)

SPALDING COUNTY, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXPENDITURES (CONTINUED)	Budget		Actual	Variance With Final Budget
	Original	Final		
Current (Continued):				
Public safety:				
Sheriff	\$ 880,221	\$ 880,221	\$ 886,896	\$ (6,675)
Victim services	82,257	82,257	75,294	6,963
Warrant division	1,151,014	1,151,014	982,592	168,422
Criminal investigation division	1,475,571	1,590,375	1,360,735	229,640
Uniform patrol division	3,498,558	3,703,174	3,244,944	458,230
Jail	8,506,477	8,517,831	7,826,195	691,636
Narcotics task force	1,075,899	1,075,899	1,043,649	32,250
Correctional institution	6,924,922	6,978,458	6,489,694	488,764
Juvenile probation	610,511	610,511	587,405	23,106
Coroner	63,217	70,617	69,756	861
800 MHz communication	430,634	434,634	429,227	5,407
Animal control	363,897	391,400	367,740	23,660
Homeland Security	33,685	52,905	50,190	2,715
Total public safety	<u>25,096,863</u>	<u>25,539,296</u>	<u>23,414,317</u>	<u>2,124,979</u>
Public works:				
Public works	3,195,730	3,481,797	3,788,780	(306,983)
Solid waste collection	870,752	1,217,985	1,168,275	49,710
Garage	328,637	328,637	322,554	6,083
Total public works	<u>4,395,119</u>	<u>5,028,419</u>	<u>5,279,609</u>	<u>(251,190)</u>
Health and welfare:				
Health	451,079	456,079	432,041	24,038
Welfare	33,000	34,000	34,209	(209)
Total health and welfare	<u>484,079</u>	<u>490,079</u>	<u>466,250</u>	<u>23,829</u>
Culture and recreation:				
Recreation	985,983	992,983	932,001	60,982
Senior citizens' bus	33,424	33,424	21,491	11,933
Parks	1,890,712	1,928,548	1,849,404	79,144
Libraries	200,980	200,980	200,980	-
Total culture and recreation	<u>3,111,099</u>	<u>3,155,935</u>	<u>3,003,876</u>	<u>152,059</u>
Housing and development:				
Cooperative extension service	215,464	215,464	167,476	47,988
Community development	653,551	680,912	691,998	(11,086)
Code enforcement	128,821	128,821	121,147	7,674
Development Authority	100,000	100,000	100,000	-
Total housing and development	<u>1,097,836</u>	<u>1,125,197</u>	<u>1,080,621</u>	<u>44,576</u>

(Continued)

SPALDING COUNTY, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued):				
Debt service:				
Principal	\$ 129,061	\$ 129,061	\$ 129,608	\$ (547)
Interest	40,015	40,015	40,459	(444)
Total debt service	<u>169,076</u>	<u>169,076</u>	<u>170,067</u>	<u>(991)</u>
Total expenditures	<u>45,980,073</u>	<u>47,246,588</u>	<u>44,297,702</u>	<u>2,948,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(257,233)</u>	<u>(1,393,758)</u>	<u>731,640</u>	<u>2,125,398</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	668,829	816,878	148,049
Transfers out	<u>(1,496,767)</u>	<u>(1,701,767)</u>	<u>(1,835,493)</u>	<u>(133,726)</u>
Capital leases	-	-	547,940	547,940
Total other financing uses, net	<u>(1,496,767)</u>	<u>(1,032,938)</u>	<u>(470,675)</u>	<u>562,263</u>
Net change in fund balances	(1,754,000)	(2,426,696)	260,965	2,687,661
FUND BALANCES, beginning of year	<u>5,964,682</u>	<u>5,964,682</u>	<u>5,964,682</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,210,682</u>	<u>\$ 3,537,986</u>	<u>\$ 6,225,647</u>	<u>\$ 2,687,661</u>

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA
FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,795,912	\$ 3,784,639	\$ 3,535,401	\$ (249,238)
Other taxes	2,650,000	2,650,000	2,668,485	18,485
Intergovernmental	53,800	109,103	107,817	(1,286)
Other	-	-	1,206	1,206
Total revenues	<u>6,499,712</u>	<u>6,543,742</u>	<u>6,312,909</u>	<u>(230,833)</u>
EXPENDITURES				
Current:				
Public safety	6,632,702	6,662,119	5,892,597	769,522
Capital outlay	10,000	43,030	61,607	(18,577)
Total expenditures	<u>6,642,702</u>	<u>6,705,149</u>	<u>5,954,204</u>	<u>750,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(142,990)</u>	<u>(161,407)</u>	<u>358,705</u>	<u>520,112</u>
OTHER FINANCING USES				
Transfers out	(46,130)	(46,130)	(46,130)	-
Total other financing uses	<u>(46,130)</u>	<u>(46,130)</u>	<u>(46,130)</u>	<u>-</u>
Net change in fund balances	(189,120)	(207,537)	312,575	520,112
FUND BALANCES, beginning of year	<u>2,565,931</u>	<u>2,565,931</u>	<u>2,565,931</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,376,811</u>	<u>\$ 2,358,394</u>	<u>\$ 2,878,506</u>	<u>\$ 520,112</u>

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019**

	Governmental Activities - Internal Service Funds Workers' Compensation
ASSETS	
CURRENT ASSETS	
Cash	\$ 24,524
Investments	1,178,402
Accounts receivable	10,941
Total current assets	<u>1,213,867</u>
Total assets	<u>1,213,867</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	6,491
Current portion of claims payable	135,702
Total current liabilities	<u>142,193</u>
NONCURRENT LIABILITIES	
Claims payable, net of current portion	145,843
Total noncurrent liabilities	<u>145,843</u>
Total liabilities	<u>288,036</u>
NET POSITION	
Unrestricted	<u>925,831</u>
Total net position	<u>\$ 925,831</u>

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
	Workers' Compensation
OPERATING EXPENSES	
Administration and other costs	\$ 200,003
Total operating expenses	200,003
Operating loss	(200,003)
NON-OPERATING REVENUES	
Interest income	85,058
Other Income	40,784
Total non-operating revenues	125,842
Change in net position	(74,161)
NET POSITION, beginning of year	999,992
NET POSITION, end of year	\$ 925,831

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds
	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments for insurance claims	\$ (355,274)
Payments to suppliers for services provided	(200,003)
	(555,277)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of investments	453,959
Interest received	125,842
Net cash provided by investing activities	579,801
Net change in cash and cash equivalents	24,524
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	\$ 24,524
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (200,003)
Adjustments to reconcile net operating loss to net cash used in operating activities:	
Increase in accounts receivable	(800)
Decrease in claims payable	(354,474)
Net cash used in operating activities	\$ (555,277)

The accompanying notes are an integral part of these financial statements.

SPALDING COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency Funds
ASSETS	
Cash	\$ 1,420,274
Taxes receivable	2,217,411
Accounts receivable	24,776
	\$ 3,662,461
Total assets	\$ 3,662,461
LIABILITIES	
Due to others	\$ 3,662,461

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

GUIDE TO NOTES

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SPALDING COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spalding County, Georgia (the "County") was created by a legislative act in the State of Georgia in 1851. The County operates under a Commission-County Manager form of government and has budgetary authority over the following functional areas: judicial and court systems, public safety, roads and bridges, health and welfare, water, landfill and general administrative services.

The financial statements of the County and its discretely presented component units, the Spalding County Water and Sewerage Facilities Authority (the "Water Authority"), the Griffin-Spalding Development Authority (the "Development Authority") and the Spalding County Department of Public Health (the "Health Department"), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based upon the application of these criterias, the following is a brief review of each component unit addressed in defining the County's reporting entity.

The Water Authority is governed by a nine-member board which is appointed by the governing authority of the County. The Water Authority provides water and related services to the citizens of the County. The Water Authority is a means to issue revenue bonds and has the ability to finance, construct, equip and expand water transmission facilities throughout the County. The County has the ability to modify appointed members of the Water Authority governing body at will. The Water Authority is presented as an enterprise fund type component unit. There are no separately issued financial statements available for the Water Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Health Department is governed by a seven-member board, four members of which are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department is presented as a governmental fund type component unit.

The Health Department's financial statements have been presented separately and can be obtained by writing to the Spalding County Department of Public Health, P.O. Box 129, Griffin, Georgia 30224.

The Development Authority is responsible for promoting industrial and commercial development within the County of Griffin and Spalding County. The Development Authority is responsible for making its own operating decisions. The Development Authority's budget must be approved by the County. The County provides substantially all funding for the Development Authority's annual budget and has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority. The Development Authority cannot issue bonded debt without approval by the County; therefore, the Development Authority is fiscally dependent on the County. The Development Authority is presented as a governmental type component unit.

The Development Authority's financial statements have been presented separately and can be obtained by writing to the Griffin-Spalding County Development Authority, P.O. Box 1009, Griffin, Georgia 30224.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements (agency funds do not have a measurement focus, but use the accrual basis of accounting). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, intergovernmental grants, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Fire District Fund** accounts for the operations and maintenance of fire protection services for all County taxpayers residing in unincorporated Spalding County. This fund also accounts for the acquisition and construction of fire stations and fire fighting vehicles and equipment. Financing is provided through a specific annual property tax levy, charges for services, and interest income.

The **Capital Projects 2008 SPLOST Fund** accounts for the financial resources provided and subsequently expended from the 2008 General Obligation Sales Tax Bonds and the 2008 1% Special Purpose Local Option Sales Tax.

The **Capital Projects 2016 SPLOST Fund** accounts for the financial resources provided and subsequently expended from the 2016 General Obligation Sales Tax Bonds and the 2016 1% Special Purpose Local Option Sales Tax.

Additionally, the County reports the following fund types:

The **Internal Service Fund** accounts for the County's self-insured Workers' Compensation program.

The **Agency Funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Agency Funds account for Tax Commissioner, Magistrate Court, Probate Court, Clerk of Superior Court, Correctional Institution, and Sheriff.

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the County's internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds".

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back-trending.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	30–50
Buildings and improvements	15–100
Machinery and equipment	5–15
Furniture and fixtures	10
Intangibles	50
Infrastructure	50

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has five items that qualify for reporting in this category. These items relate to the County's Retirement and Other Post-Employment Benefits Plans and are reported in the government-wide statement of net position. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Experienced losses result from periodic studies by the County's actuary, which adjust the total OPEB liability for actual experience for certain trend information that was previously assumed. These experienced losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the total OPEB liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Contributions made subsequent to the measurement date are deferred and recognized as OPEB expense in future years. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. One item, an effective hedge, is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation. Another item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Additionally, the County has unavailable revenues that arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants, which will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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 or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

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 the debt issued is reported as other financing sources. 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.

J. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash) or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Manager to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.
- **Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

M. Pensions and OPEB

For purposes of measuring the net pension liability, total OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension expense and OPEB expense, information about the fiduciary net position of the Association County Commissioners of Georgia Spalding County Defined Benefit Plan (the “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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Tax Abatement Agreements

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.” The details of this difference are as follows:

General obligation bonds payable	\$ (8,800,000)
Plus: Issuance premium (to be amortized against interest expense)	(482,203)
Certificates of participation	(2,500,000)
Less: Fair value of interest rate swap	637,108
Capital leases	(817,857)
Due to Griffin/Spalding County Airport Authority	(3,052,500)
Landfill post-closure costs	(551,120)
Net pension liability	(6,073,075)
Total OPEB liability	(1,695,886)
Compensated absences	(1,269,765)
Accrued interest	<u>(220,578)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (24,825,876)</u></u>

Another element of this reconciliation explains that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Deferred property tax revenue	\$ 974,800
Deferred fair value of interest rate swap	<u>(637,108)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 337,692</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 4,156,963
Depreciation expense	(4,706,648)
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (549,685)

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) 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.” The details of this difference are as follows:

Proceeds from capital leases	\$ (547,940)
Intergovernmental payable reduction	232,500
Premium on bond issuance	189,644
Principal repayments:	
Capital leases	129,608
Landfill post-closure costs	109,066
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 112,878

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that “Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this difference are as follows:

Compensated absences	\$	(105,971)
Accrued interest		(6,739)
Total OPEB obligation		279,485
Net pension liability		671,230
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	838,005

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to June 1, the County Manager submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following July 1.
2. In June, the Board of Commissioners holds three public hearings on the proposed budget to obtain citizen comments.
3. The budget is legally adopted by the Board of Commissioners before the end of June. The legal level of budgetary control is the department level.
4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts between object categories within departments requires the approval of the County Manager. Revisions that alter the total expenditures of any department or fund must be approved by the Board of Commissioners.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. Annual operating budgets are prepared for each Internal Service Fund for planning, control, and evaluation purposes.

The supplementary budgetary appropriations made were not material.

All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are reappropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners.

B. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2019, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund	
Probate Court	\$ 1,541
Sheriff	6,675
Public Works	306,983
Welfare	209
Community Development	11,086
Principal	547
Interest	444
Fire District	
Capital outlay	18,577
Community Services Block Grant	
General government	9,990
Judicial	10,425
Senior Nutrition	
Health and Welfare	10,483

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess of Expenditures Over Appropriations (Continued)

The overexpenditures in the General Fund were funded by underexpenditures in other departments. The overexpenditures in the Community Services Block Grant Fund, Fire District, and Senior Nutrition were funded by additional revenues.

C. Deficit Fund Balance

The Senior Nutrition Fund had deficit fund balance at June 30, 2019, of \$109,902. The fund deficit will be reduced through intergovernmental revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2019, are summarized as follows:

Balances per statement of net position:

Cash and cash equivalents - Primary Government	\$ 28,530,645
Cash and cash equivalents - Health Department	1,017,212
Cash and cash equivalents - Development Authority	1,471,539
Cash and cash equivalents - Water Authority	13,656,744
Investments - Primary Government	1,736,441
Investments - Development Authority	1,750,000
Investments - Health Department	480,244
Restricted assets:	
Water Authority - Bond sinking fund	875,936

Balances per statement of net position:

Cash - Agency funds	1,420,274
	<u>\$ 50,939,035</u>

Balances by type:

Cash deposited with financial institutions	\$ 29,976,440
Money market	19,226,154
Mutual bond funds	1,178,402
Guaranteed investment contract	558,039
	<u>\$ 50,939,035</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. The guaranteed investment contract with the Georgia Municipal Association (GMA) is not rated. The mutual bond funds were not rated by a nationally recognized statistical rating organization. However, the fund investments are concentrated in U.S. government securities.

At June 30, 2019, the County had the following investments:

Investment	Maturities	Fair Value
Money market	N/A	\$ 19,226,154
Mutual bond fund	N/A	1,178,402
Guaranteed investment contract	June 1, 2028	558,039
		\$ 20,962,595

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2019:

Investment	Level 1	Level 2	Level 3	Fair Value
Mutual bond fund	\$ 1,178,402	\$ -	\$ -	\$ 1,178,402
Total investments measured at fair value	\$ 1,178,402	\$ -	\$ -	\$ 1,178,402
Investments not subject to level disclosure:				
Money market				19,226,154
Guaranteed investment contract				558,039
Total investments				\$ 20,962,595

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The guaranteed investment contract is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost. As a result, the County does not disclose its investment in the guaranteed investment contract within the fair value hierarchy.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The County's investment policy states that the County will structure its portfolio to meet the cash requirements for ongoing operations. The policy also emphasizes the purchase of shorter term or more liquid investments. Except for those reserve or other funds with long-term investment horizons, the County shall limit maturities to five years or less.

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 collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, all of the deposits of the County and the component units were properly insured and collateralized as required by the Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12(c) and as defined by GASB pronouncements.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Some statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government or bonds of public authorities, counties or municipalities.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2019, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Fire District	Capital Projects 2016 SPLOST	Capital Projects 2008 SPLOST
Receivables:				
Taxes	\$ 1,618,995	\$ 220,879	\$ -	\$ -
Accounts	301,270	6,057	15,436	3,789
Intergovernmental	825,861	-	-	-
Gross receivables	2,746,126	226,936	15,436	3,789
Less: allowance for uncollectibles	725,404	-	-	-
Net total receivables	\$ 2,020,722	\$ 226,936	\$ 15,436	\$ 3,789
	Nonmajor Governmental	Total Governmental	Internal Service Fund	
Receivables:				
Taxes	\$ -	\$ 1,839,874	\$ -	
Accounts	202,632	529,184	10,941	
Intergovernmental	548,265	1,374,126	-	
Gross receivables	750,897	3,743,184	10,941	
Less: allowance for uncollectibles	-	725,404	-	
Net total receivables	\$ 750,897	\$ 3,017,780	\$ 10,941	

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County. The assessed value at January 1, 2018, upon which the fiscal 2019 levy was based, was the gross digest amount of \$1,687,648,817 (40% of the estimated market value of \$4,219,122,043).

The tax billing cycle for fiscal year 2019 is as follows:

Levy date	August 28, 2018
Tax bills mailed	September 17, 2018
Payment due date	November 15, 2018
Delinquency date	December 16, 2018
Lien date	April 1, 2019

The distribution of the County's levy (tax rate per \$1,000 assessed value) as of June 30, 2019, is as follows:

General government	16.535 mills
Fire district	3.610 mills
School system	18.066 mills

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,132,527	\$ -	\$ -	\$ -	\$ 3,132,527
Construction in progress	1,050,329	791,772	-	(994,275)	847,826
Total	<u>4,182,856</u>	<u>791,772</u>	<u>-</u>	<u>(994,275)</u>	<u>3,980,353</u>
Capital assets, being depreciated:					
Land improvements	6,908,617	-	-	-	6,908,617
Building improvements	46,989,652	-	-	994,275	47,983,927
Machinery and equipment	35,905,050	1,947,918	(99,477)	60,410	37,813,901
Furniture and fixtures	105,326	-	-	-	105,326
Intangibles	621,715	-	-	-	621,715
Infrastructure	90,267,837	1,417,273	-	-	91,685,110
Total	<u>180,798,197</u>	<u>3,365,191</u>	<u>(99,477)</u>	<u>1,054,685</u>	<u>185,118,596</u>
Less accumulated depreciation for:					
Land improvements	(2,459,894)	(143,536)	-	-	(2,603,430)
Building improvements	(21,051,912)	(930,048)	-	-	(21,981,960)
Machinery and equipment	(19,072,136)	(2,102,060)	99,477	(60,410)	(21,135,129)
Furniture and fixtures	(62,546)	(6,780)	-	-	(69,326)
Intangibles	(422,819)	(47,304)	-	-	(470,123)
Infrastructure	(47,749,896)	(1,476,920)	-	-	(49,226,816)
Total	<u>(90,819,203)</u>	<u>(4,706,648)</u>	<u>99,477</u>	<u>(60,410)</u>	<u>(95,486,784)</u>
Total capital assets, being depreciated, net	<u>89,978,994</u>	<u>(1,341,457)</u>	<u>-</u>	<u>994,275</u>	<u>89,631,812</u>
Governmental activities capital assets, net	<u>\$ 94,161,850</u>	<u>\$ (549,685)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,612,165</u>

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

Governmental activities:	
General government	\$ 380,155
Judicial	79,004
Public safety	2,191,067
Public works	1,590,336
Culture and recreation	434,669
Housing and development	15,387
Health and welfare	16,030
Total depreciation expense - governmental activities	<u>\$ 4,706,648</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Water Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500
Total	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,500</u>
Capital assets, being depreciated:					
Water delivery system	32,984,700	-	-	-	32,984,700
Sewer system	2,065,296	-	-	-	2,065,296
Buildings	48,751	-	-	-	48,751
Machinery and equipment	922,115	51,367	-	(60,410)	913,072
Intangibles	145,279	-	-	-	145,279
Total	<u>36,166,141</u>	<u>51,367</u>	<u>-</u>	<u>(60,410)</u>	<u>36,157,098</u>
Less accumulated depreciation for:					
Water delivery system	(12,148,830)	(667,481)	-	-	(12,816,311)
Sewer system	(298,019)	(41,306)	-	-	(339,325)
Buildings	(41,922)	(198)	-	-	(42,120)
Machinery and equipment	(809,666)	(19,064)	-	60,410	(768,320)
Intangibles	(24,943)	(2,906)	-	-	(27,849)
Total	<u>(13,323,380)</u>	<u>(730,955)</u>	<u>-</u>	<u>60,410</u>	<u>(13,993,925)</u>
Total capital assets, being depreciated, net	<u>22,842,761</u>	<u>(679,588)</u>	<u>-</u>	<u>-</u>	<u>22,163,173</u>
Total capital assets, net	<u>\$ 22,856,261</u>	<u>\$ (679,588)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,176,673</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000	\$ -
Bond premium	671,847	-	(189,644)	482,203	-
Net bonds payable	9,471,847	-	(189,644)	9,282,203	-
Certificates of participation	2,500,000	-	-	2,500,000	-
Intergovernmental payable	3,285,000	-	(232,500)	3,052,500	237,500
Capital leases	399,525	547,940	(129,608)	817,857	134,538
Claims payable	611,594	341,051	(671,100)	281,545	135,702
Compensated absences	1,163,794	985,919	(879,948)	1,269,765	761,859
Landfill post-closure costs	660,186	-	(109,066)	551,120	137,060
Net pension liability	6,011,673	5,234,976	(5,173,574)	6,073,075	-
Total OPEB liability	1,790,062	157,560	(251,736)	1,695,886	-
Governmental activities long-term liabilities	<u>\$ 25,893,681</u>	<u>\$ 7,267,446</u>	<u>\$ (7,637,176)</u>	<u>\$ 25,523,951</u>	<u>\$ 1,406,659</u>

For governmental activities, compensated absences, landfill post-closure costs, net pension liability and total OPEB obligation are generally liquidated by the General Fund.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception.

The cost of assets under capital leases as of June 30, 2019:

	<u>Governmental Activities</u>
Equipment	\$ 886,130
Less accumulated depreciation	<u>(114,397)</u>
Carrying value	<u>\$ 771,733</u>

Current year depreciation expense of assets under capital lease totaled \$45,834.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's total capital lease debt service requirements to maturity are as follows:

Fiscal year ending June 30,		
2020	\$	169,074
2021		169,074
2022		307,046
2023		92,130
2024		92,130
2025		97,244
Total minimum lease payments		<u>926,698</u>
Less amount representing interest		<u>108,841</u>
Present value of future minimum lease payments	\$	<u><u>817,857</u></u>

General Obligation Sales Tax Bonds. The Spalding County General Obligation Sales Tax Bonds, Series 2016 were issued in March 2016 in the amount of \$8,800,000. The proceeds from the sale of the bonds will be used for the purpose of financing or refinancing certain capital outlay projects of the County and for paying the costs of issuing the bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds carry interest rates ranging from 2.50% to 4.00% and are due on July 1, 2022. In connection with the issuance of bonds, a premium of \$1,019,527 was recorded and is being amortized over the life of the bonds. As of June 30, 2019, the unamortized premium was \$482,203.

The bonds payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest
2020	\$ -	\$ 302,300
2021	2,870,000	259,200
2022	2,930,000	157,600
2023	<u>3,000,000</u>	<u>49,500</u>
Total	<u><u>\$ 8,800,000</u></u>	<u><u>\$ 768,600</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's participation totaling \$2,500,000. The lease pool agreement with the Association provides that the County owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay 1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association ("SIFMA") Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and 2) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the County, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5.00% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength with the counterparty being rated Aa3 by Moody's. At June 30, 2019, the floating rate being paid by the County is 2.21% and the market value of this agreement is \$637,108, an increase of \$149,790 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2019, based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

Annual debt service requirements on the certificates of participation are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2027-2031	\$ 2,500,000	\$ 950,000

Landfill Post-closure Costs. Effective October 3, 1993, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2019, the County has a remaining 5.8 years of monitoring. Engineering studies estimate post-closure costs of approximately \$551,120 over the 5.8 year period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2019. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Intergovernmental payable – Airport Authority Revenue Bonds. The County entered into an intergovernmental agreement with The Griffin-Spalding County Airport Authority and City of Griffin regarding the issuance of The Griffin-Spalding County Airport Authority Revenue Bonds, Series 2015, on March 10, 2015. The Series 2015 bonds were issued by The Griffin-Spalding County Airport Authority to: a) provide funds to finance in part the acquisition of land and other real and personal property for the construction and equipping of a new airport, and b) pay the costs of issuance of the Series 2015 bonds. The Series 2015 bonds are limited obligations of the Authority payable solely from certain amounts to be paid by the County and the City of Griffin to the Authority under the provisions of an Intergovernmental agreement by and between the Authority, the County, and the City of Griffin with the County and the City of Griffin each paying 50% of the total debt service requirements. The Series 2015 bonds are not deemed to constitute a debt or general obligation or pledge of the faith and credit of the State or any political subdivision thereof, including the County, City of Griffin or the Authority, within the meaning of any constitutional or statutory debt limitation. The payments provided for under the Intergovernmental Agreement constitute general obligations of the County and the City for which its full faith, credit and taxing powers are pledged.

The County's portion of revenue bonds payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest
2020	\$ 237,500	\$ 103,900
2021	245,000	96,775
2022	250,000	89,425
2023	257,500	81,925
2024	267,500	74,200
2025–2029	1,467,500	235,637
2030	327,500	13,100
Total	\$ 3,052,500	\$ 694,962

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Water Authority

The following is a summary of long-term debt activity for the Water Authority for the fiscal year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable, Series 2008	\$ 1,295,000	\$ -	\$ (600,000)	\$ 695,000	\$ 695,000
Deferred amounts:					
Discount	(2,249)	-	1,928	(321)	-
Bonds payable, Series 2015	9,335,000	-	(110,000)	9,225,000	115,000
Deferred amounts:					
Premium	622,525	-	(90,014)	532,511	-
Total bonds payable	11,250,276	-	(798,086)	10,452,190	810,000
Compensated absences	15,028	10,625	(10,625)	15,028	9,534
Water Authority long-term liabilities	<u>\$ 11,265,304</u>	<u>\$ 10,625</u>	<u>\$ (808,711)</u>	<u>\$ 10,467,218</u>	<u>\$ 819,534</u>

Revenue Bonds Payable. During the year ended June 30, 2003, the Water Authority issued revenue bonds in the amount of \$9,880,000. The bond proceeds were used to refund the Water Authority's series 1992 revenue bonds. During the year ended June 30, 2009, the Water Authority issued revenue bonds in the amount of \$11,380,000. The bond proceeds were to be used to finance additions and improvements to the water and sewerage system. The principal and interest on the bonds is payable from the net revenues of the Water Authority and certain payments made to the Water Authority by the County pursuant to a contract between the Water Authority and the County.

Advanced Refunding. On March 18, 2015, the Water Authority issued \$9,580,000 in revenue bonds, Series 2015. The bonds were issued and the proceeds were used to refund \$8,805,000 of outstanding Water Authority bonds, Series 2008, and to pay certain issuance costs. In connection with the issuance of bonds, a premium of \$889,114 was recorded and is being amortized over the life of the bonds. As of June 30, 2019, the unamortized premium was \$532,511.

During the year ended June 30, 2015, advance refunding resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses at June 30, 2019 of \$49,823 are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of \$298,938 has been included in interest expense for the year ended June 30, 2019. As of June 30, 2019, the County's outstanding in-substance defeased debt totaled \$8,805,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Water Authority (Continued)

Revenue bonds outstanding at June 30, 2019, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Water Authority - Series 2008	4.00%	20 years	2019	\$ 11,380,000	\$ 695,000
Water Authority - Series 2015	2.00 – 4.00%	13 years	2028	9,580,000	9,225,000
					(321)
					532,511
					<u>\$ 10,452,190</u>

Debt service requirements to maturity on the revenue bonds are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 810,000	\$ 331,694
2021	880,000	298,525
2022	905,000	271,750
2023	940,000	244,075
2024	975,000	214,131
2025–2029	5,410,000	532,369
Total	<u>\$ 9,920,000</u>	<u>\$ 1,892,544</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 17,752
General Fund	Capital Projects 2008 SPLOST Fund	85,963
General Fund	Capital Projects 2016 SPLOST Fund	200,627
Nonmajor governmental funds	Nonmajor governmental funds	9,338
Nonmajor governmental funds	General Fund	25,974
Fire District Fund	General Fund	44,216
		<u>\$ 383,870</u>

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 816,878
Nonmajor governmental funds	Fire District Fund	46,130
2016 SPLOST Capital Projects Fund	Nonmajor governmental funds	422,377
Nonmajor governmental funds	General Fund	1,835,493
		<u>\$ 3,120,878</u>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 4) to move funds from the nonmajor governmental funds to the 2016 SPLOST Capital Projects Fund to be used for projects associated with SPLOST.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Association County Commissioners of Georgia Spalding County Defined Benefit Plan (the "Plan"), covering the majority of all of the County's employees. 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, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in §19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in §19.02 of the ACCG Plan document. The County Commission retains this authority. 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 County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2018, pension plan membership consisted of the following:

Retirees, Beneficiaries, and Disables receiving benefits	159
Terminated Plan participants entitled to but not receiving benefits	179
Active employees participating in the Plan	<u>361</u>
Total number of Plan participants	<u>699</u>
Part – time active employees not participating in the Plan	91

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the year ended June 30, 2019, the County's contribution rate was 9.46% of annual payroll. County contributions to the Plan were \$1,750,000 for the year ended June 30, 2019.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2018, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2018.

Actuarial Assumptions. The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.50% – 5.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Actuarial Assumptions (Continued). Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study through February 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
S&P 500	30.00 %	3.07 %
Barlay's Agg.	30.00	1.97
MSCI EAFE	15.00	0.86
Citi Non US WEBI	5.00	0.30
NARREIT Equity	5.00	0.52
Russell 2000	5.00	0.47
Russell 3000	5.00	0.51
S&P Mid Cap	5.00	0.58
Total	100.00 %	

* Rates shown are net of the 3.00% assumed rate of inflation.

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 County contributions will be made at rates equal to the actuarially determined contribution rates and the member 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2019, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	\$ 31,218,388	\$ 25,206,715	\$ 6,011,673
<i>Changes for the year:</i>			
Service cost	404,652	-	404,652
Interest	2,265,941	-	2,265,941
Differences between expected and actual experience	(3,423,574)	-	(3,423,574)
Contributions—employer	-	1,750,000	(1,750,000)
Net investment income	-	(1,105,920)	1,105,920
Assumption change	1,190,106	-	1,190,106
Benefit payments, including refunds of employee contributions	71,946	71,946	-
Administrative expense	-	(70,370)	70,370
Other changes	-	(197,987)	197,987
<i>Net changes</i>	<u>509,071</u>	<u>447,669</u>	<u>61,402</u>
Balances at June 30, 2019	<u>\$ 31,727,459</u>	<u>\$ 25,654,384</u>	<u>\$ 6,073,075</u>

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, 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%	Current Discount Rate 7.00%	1% Increase 8.00%
County's net pension liability	\$ 9,582,309	\$ 6,073,075	\$ 3,127,945

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). 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, 2018, and the current sharing pattern of costs between employer and employee. As of June 30, 2019, the County had no contributions subsequent to measurement date due to all employer contributions being made prior to measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2019, the County recognized pension expense of \$1,078,769. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 1,694,713	\$ -
Differences between expected and actual experience	-	3,871,647
Other changes in assumptions	1,793,977	-
Total	\$ 3,488,690	\$ 3,871,647

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

A. Primary Government (Continued)

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

Year ending June 30:

2020	\$	75,280
2021		(241,159)
2022		(327,716)
2023		<u>110,638</u>
Total	\$	<u>(382,957)</u>

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The Spalding County Money Purchase Pension Plan (the "Plan") is a single employer defined contribution plan established and administered by the Spalding County Board of Commissioners for substantially all of its full-time employees. The Plan provides retirement, disability and death benefits to Plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Spalding County Board of Commissioners.

Employees are not required to contribute to the Plan. For employees who have not elected to participate in The Three-Tier Defined Benefit Plan, the County contributes an amount equal to 4% of each participant's compensation. The County's contribution for each employee is 100% vested after five years of continuous service. For the fiscal year ending June 30, 2019, the County's contribution to the Plan was \$201,744. The amount contributed by employees was \$818,237. The plan was frozen as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit Post-Retirement Benefit Plan (the "OPEB Plan"). The OPEB Plan is under the direction of the County's Board of Commissioners. The County provides post-retirement healthcare benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Spalding County Board of Commissioners. The requirements are that the employee must retire from the County after 15 years of continuous service and must have attained the age of 55. The benefits are offered until the retiree turns 65 and is eligible for Medicare and/or the employee becomes covered under the plan of another employer. The County pays 50% of the premium, and the employee must pay the remaining 50%. Currently, 11 employees are enrolled in post-retirement healthcare benefits. The County's Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the post-retirement benefit plan as of latest actuarial valuation at July 1, 2017:

Active members	389
Retired members	<u>9</u>
	<u><u>398</u></u>

Contributions

The Board of Commissioners has elected to fund the OPEB Plan on a "pay-as-you-go" basis. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2019, the County contributed \$54,059 for the pay-as-you-go benefits for the fiscal Plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County

The County's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.87%
Healthcare cost trend rate:	10.00% graded by 1.00% per year to an ultimate rate of 5.00%
Inflation rate:	2.50%
Participation rate:	25.00%

Mortality rates were based on the RP-2014 with MP-2016 scale Mortality Table, with separate rates for males and females.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period 2010-2014.

Discount rate

The discount rate used to measure the total OPEB liability was 3.87%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.87% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County for the fiscal year ended June 30, 2019, were as follows:

	Total OPEB Liability
Beginning balance	\$ 1,790,062
Changes for the year:	
Service cost	90,245
Interest	67,315
Differences between expected and actual experience	(152,798)
Assumption changes	(57,614)
Benefit payments	(41,324)
Net change	(94,176)
Ending balance	\$ 1,695,886

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	2.87% 1% Decrease	3.87% Discount Rate	4.87% 1% Increase
Total OPEB liability	1,849,888	1,695,886	1,558,619

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	2.58% 1% Decrease	3.58% Discount Rate	4.58% 1% Increase
Total OPEB liability	2,167,572	1,695,886	1,292,644

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 revisions 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 June 30, 2019, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense of \$129,159. At June 30, 2019, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 181,556
Other changes in assumptions	152,652
Contributions subsequent to measurement date	54,059
Total	\$ 388,267

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources Related to OPEB (Continued)

County contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:

2020	\$	28,401
2021		28,401
2022		28,401
2023		28,401
2024		28,401
2025–2029		142,005
2030–2031		<u>50,198</u>
Total	\$	<u><u>334,208</u></u>

NOTE 12. RISK MANAGEMENT

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

The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. Additionally, the County purchases health insurance and dental insurance from a private carrier. No reduction in insurance coverage has occurred since the previous year, and no settlements in excess of coverage have been paid in the past three years.

The County has established a risk management fund (Workers' Compensation Trust Fund), an internal service fund, where assets are set aside for claim settlements. This fund covers the employees of the Water Authority as well. Under this program, the risk management fund provides coverage for up to a maximum of \$300,000 for each workers' compensation claim.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

The County has joined together with other counties in the state as a member of the Group Self Insurance Workers' Compensation Fund ("GSIWCF") for its workers' compensation risks. GSIWCF exists by authority of the O.C.G.A., and participates in risk sharing arrangements among Georgia county governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

Chapter 85 of Title 36 and Chapter 9 of Title 34 of the O.C.G.A. authorize Georgia counties to form inter-local management agencies. GSIWCF acts as a risk management agency to function as unincorporated nonprofit instrumentalities of its member counties. GSIWCF establishes and administers one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of workers' compensation losses occurring in the operation of member governments.

The County retains the first \$300,000 (in the form of a deductible) on its workers' compensation claims. The County files all claims with GSIWCF, and GSIWCF invoices the County monthly for any risk of loss up to the deductible amounts.

The claims liability of \$281,545 as of June 30, 2019, of the Workers' Compensation Trust Fund is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Incurred-But-Not-Reported (IBNR) claims have been accrued as claims liabilities based primarily upon the fund's third party administrator's claims projections and are included in current year claims estimates.

Changes in the balances of claims liabilities for the Workers' Compensation Trust Fund in fiscal year 2019 and 2018 were as follows:

<u>Workers' Compensation Trust Fund</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of fiscal year	\$ 611,594	\$ 303,372
Expenses incurred	-	846,693
Payments disbursed	<u>(330,049)</u>	<u>(538,471)</u>
Unpaid claims, end of fiscal year	<u>\$ 281,545</u>	<u>\$ 611,594</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

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

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the County believes such disallowances, if any, will not be significant.

Encumbrances

As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Encumbrances</u>	
Fire District Fund	844,888
General Fund	<u>501,862</u>
	<u>\$ 1,346,750</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2019, the County, jointly with the City of Griffin, provided funding for the Griffin-Spalding County Airport (the "Airport"). On September 29, 1992, the Board of Commissioners approved funding for one half of the Airport's operating deficit for an unspecified period of time. The total paid to the Airport for fiscal year 2019 was \$126,071.

Information concerning the financial statements may be obtained from the Griffin-Spalding County Airport, P.O. Box T, Griffin, Georgia 30224.

Three Rivers Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in a ten-county central Georgia area, is a member of the Three Rivers Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2019, the County paid \$42,610 in such dues. Membership in an RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC. The RC Board membership is made up of representatives appointed by each county seat and respective county government member and also includes private citizen and minority representatives. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Information concerning the financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

NOTE 15. JOINTLY GOVERNED ORGANIZATION

Land Bank Authority

During the year ended June 30, 2009, the County, along with the City of Griffin, entered into an interlocal cooperation agreement for the purpose of establishing the Griffin/Spalding County Land Bank Authority (the "Authority"). The Authority's purpose is to return land which is in a non-revenue generating, non-tax producing status to an effective utilization status in order to provide affordable housing, new trade, commerce, industry, and employment opportunities for the citizens of the County and the City of Griffin. The Authority is governed by a four-member board of directors appointed equally by the County and the City of Griffin. The total paid to the Authority for fiscal year 2019 was \$44,000. The County has no further accountability for this organization.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. HOTEL/MOTEL LODGING TAX

During the fiscal year ended June 30, 2019, the County levied an 8.00% hotel/motel tax on lodging facilities within the County. The County allocates 5.00% of this tax for the promotion of tourism, conventions, or trade shows as required by O.C.G.A. §48-13-51. The remaining 3.00% of this tax are allowed to be disbursed to the General Fund. For the fiscal year ended June 30, 2019, the County collected \$294,857 of hotel/motel taxes of which \$110,384 went to support the general fund and \$184,473 went to the tourism fund. Collections in the hotel/motel tax fund were used for the promotion of tourism within the County.

NOTE 17. TAX ABATEMENT PROGRAMS

The County enters into property tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses for both real and personal property from the Griffin-Spalding Development Authority.

During the fiscal year ended June 30, 2019, the County abated property taxes totaling \$332,607, and \$436,705 for real property tax abatements and personal property tax abatements, respectively. Tax abatements during the current year range from 0% to 100% of assessed property values over a time period up to ten years.

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REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2019	2018
Total OPEB liability		
Service cost	\$ 90,245	\$ 87,126
Interest on total pension liability	67,315	54,070
Changes of benefit terms		
Differences between expected and actual experience	(152,798)	(47,483)
Changes of assumptions	(57,614)	(117,366)
Benefit payments	(41,324)	(37,903)
Net change in total OPEB liability	(94,176)	(61,556)
Total OPEB liability - beginning	1,790,062	1,851,618
Total OPEB liability - ending (a)	\$ 1,695,886	\$ 1,790,062
Covered-employee payroll	\$ 23,470,228	\$ 22,185,006
County's total OPEB liability as a percentage of covered-employee payroll	7.23%	8.07%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 404,652	\$ 498,620	\$ 450,476	\$ 447,289	\$ 460,213
Interest on total pension liability	2,265,941	2,189,667	2,161,674	2,100,683	2,015,681
Changes of benefit terms					
Differences between expected and actual experience	(3,423,574)	(974,091)	(602,771)	(714,219)	-
Changes of assumptions	1,190,106	73,984	878,346	1,130,608	-
Benefit payments, including refunds of employee contributions	71,946	(1,544,193)	(1,471,285)	(1,415,512)	(1,342,527)
Net change in total pension liability	509,071	243,987	1,416,440	1,548,849	1,133,367
Total pension liability - beginning	31,218,388	30,974,401	29,557,961	28,009,112	26,875,745
Total pension liability - ending (a)	\$ 31,727,459	\$ 31,218,388	\$ 30,974,401	\$ 29,557,961	\$ 28,009,112
Plan fiduciary net position					
Contributions - employer	\$ 1,750,000	\$ 1,275,118	\$ 1,238,475	\$ 1,199,522	\$ 1,334,262
Net investment income	(1,105,920)	3,470,460	1,542,031	146,812	1,430,252
Benefit payments, including refunds of employee contributions	71,946	(1,544,193)	(1,471,285)	(1,364,349)	(1,294,002)
Administrative expenses	(70,370)	(68,878)	(72,390)	(69,586)	(67,301)
Other	(197,987)	(189,624)	(171,486)	(145,754)	(147,776)
Net change in fiduciary net position	447,669	2,942,883	1,065,345	(233,355)	1,255,435
Plan fiduciary net position - beginning	25,206,715	22,263,832	21,198,487	21,431,842	20,176,407
Plan fiduciary net position - ending (b)	\$ 25,654,384	\$ 25,206,715	\$ 22,263,832	\$ 21,198,487	\$ 21,431,842
County's net pension liability - ending (a) - (b)	\$ 6,073,075	\$ 6,011,673	\$ 8,710,569	\$ 8,359,474	\$ 6,577,270
Plan fiduciary net position as a percentage of total pension liability	80.86%	80.74%	71.88%	71.72%	76.52%
Covered payroll	\$ 14,465,746	\$ 14,765,645	\$ 14,693,833	\$ 14,458,040	\$ 14,657,303
County's net pension liability as a percentage of covered payroll	41.98%	40.71%	59.28%	57.82%	44.87%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 903,084	\$ 1,275,118	\$ 1,197,114	\$ 1,151,588	\$ 1,216,126
Contributions in relation to the actuarially determined contribution	<u>1,750,000</u>	<u>1,275,118</u>	<u>1,238,475</u>	<u>1,199,522</u>	<u>1,334,262</u>
Contribution deficiency (excess)	<u>\$ (846,916)</u>	<u>\$ -</u>	<u>\$ (41,361)</u>	<u>\$ (47,934)</u>	<u>\$ (118,136)</u>
Covered payroll	\$ 18,506,566	\$ 14,615,696	\$ 14,729,739	\$ 14,575,937	\$ 14,557,672
Contributions as a percentage of covered payroll	9.46%	8.72%	8.41%	8.23%	9.17%

Notes to the Schedule

Valuation Date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	4.50% – 5.50% (including 3.00% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

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NONMAJOR GOVERNMENTAL FUNDS

SPALDING COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Community Services Block Grant	To account for expenditures applicable to the Community Services Block Grant. Revenues are received from the federal government through the State of Georgia.
Emergency 911	To account for emergency services which are provided to all County taxpayers. Financing is provided through user fees and charges and contributions from the General Fund.
Confiscated Assets	To account for monies confiscated under federal and state law by Spalding County law enforcement officers related to controlled substance offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.
Law Library	To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.
Senior Nutrition	To account for the revenues and expenditures applicable to the Federal Area Agency on Aging grant that provides congregate meals to senior citizens and home delivered meals to home bound seniors.
Tourism	To account for the collection of hotel/motel tax collected by the County.
Local Victims Assistance Program	To account for the receipt of fine surcharges from the State Court and Superior Court of Spalding County designated by state law for victims assistance.
Griffin Judicial Circuit Drug Court	To account for collection of additional penalties for certain drug related crimes and for expenditures of those funds solely and exclusively for drug abuse treatment and education programs.

SPALDING COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service Funds

GMA Lease Pool Debt Service	To account for investments held as proceeds of the 1998 GMA Lease Pool and the accumulation of resources for the repayment of debt for the 1998 GMA Lease Pool.
2008 SPLOST Debt Service	To account for the accumulation of resources for the payment of debt principal and interest for the 2008 General Obligation Sales Tax Bonds.
2016 SPLOST Debt Service	To account for the accumulation of resources for the payment of debt principal and interest for the 2016 General Obligation Sales Tax Bonds.
2015 Airport Authority Debt Service	To account for the accumulation of resources for the payment of debt principal and interest for the 2015 Airport Authority Revenue Bonds.

Capital Projects Funds

Impact Fees	To account for the capital projects activity funded by developmental impact fees.
Capital Projects General	To account for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds. Financing is provided through contributions from the General Fund.
Capital Projects 2005 SPLOST	To account for the financial resources provided and subsequently expended from the 2005 General Obligation Sales Tax Bonds and the 2005 Special Purpose Local Option Sales Tax.

SPALDING COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
ASSETS					
Cash and cash equivalents	\$ 10,857	\$ 868,282	\$ 253,523	\$ 121,616	\$ -
Investments	-	-	-	-	-
Accounts receivable	-	199,311	-	-	3,321
Due from other governments	23,740	-	-	-	80,128
Due from other funds	-	14,867	-	-	9,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,597</u>	<u>\$ 1,082,460</u>	<u>\$ 253,523</u>	<u>\$ 121,616</u>	<u>\$ 92,787</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 10,475	\$ 2,974	\$ -	\$ 953	\$ 197,770
Accrued liabilities	3,444	34,757	-	-	4,919
Due to other funds	9,337	-	-	-	-
Due to other governments	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>23,256</u>	<u>37,731</u>	<u>-</u>	<u>953</u>	<u>202,689</u>
FUND BALANCES, (DEFICIT)					
Restricted for:					
Grant purposes	11,341	-	-	-	-
Judicial	-	-	-	120,663	-
Public safety	-	1,044,729	253,523	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Housing and development	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	(109,902)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>11,341</u>	<u>1,044,729</u>	<u>253,523</u>	<u>120,663</u>	<u>(109,902)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 34,597</u>	<u>\$ 1,082,460</u>	<u>\$ 253,523</u>	<u>\$ 121,616</u>	<u>\$ 92,787</u>

Debt Service						
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2016 SPLOST Debt Service	2015 Airport Debt Service
\$ 249,485	\$ 391,332	\$ 4,482	\$ 781,491	\$ 203	\$ 634,872	\$ -
-	-	-	558,039	-	-	-
-	-	-	-	-	444,397	-
-	11,107	-	-	-	-	-
<u>\$ 249,485</u>	<u>\$ 402,439</u>	<u>\$ 4,482</u>	<u>\$ 1,339,530</u>	<u>\$ 203</u>	<u>\$ 1,079,269</u>	<u>\$ -</u>
\$ 89	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	7,790	-	-	-	-	-
4,473	-	-	-	-	-	-
<u>4,562</u>	<u>7,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	394,649	4,482	-	-	-	-
-	-	-	-	-	-	-
-	-	-	324,661	-	-	-
-	-	-	1,014,869	203	1,079,269	-
244,923	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>244,923</u>	<u>394,649</u>	<u>4,482</u>	<u>1,339,530</u>	<u>203</u>	<u>1,079,269</u>	<u>-</u>
<u>\$ 249,485</u>	<u>\$ 402,439</u>	<u>\$ 4,482</u>	<u>\$ 1,339,530</u>	<u>\$ 203</u>	<u>\$ 1,079,269</u>	<u>\$ -</u>

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SPALDING COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

ASSETS	Capital Projects			Total
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	
Cash and cash equivalents	\$ 2,841,105	\$ 117,508	\$ 2	\$ 6,274,758
Investments	-	-	-	558,039
Accounts receivable	-	-	-	202,632
Due from other governments	-	-	-	548,265
Due from other funds	-	-	-	35,312
Total assets	<u>\$ 2,841,105</u>	<u>\$ 117,508</u>	<u>\$ 2</u>	<u>\$ 7,619,006</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 212,261
Accrued liabilities	-	-	-	43,120
Due to other funds	9,963	-	-	27,090
Due to other governments	-	-	-	4,473
Total liabilities	<u>9,963</u>	<u>-</u>	<u>-</u>	<u>286,944</u>
FUND BALANCES, (DEFICIT)				
Restricted for:				
Grant purposes	-	-	-	11,341
Judicial	-	-	-	519,794
Public safety	-	-	-	1,298,252
Capital projects	2,831,142	-	2	3,155,805
Debt service	-	-	-	2,094,341
Housing and development	-	-	-	244,923
Assigned for:				
Capital projects	-	117,508	-	117,508
Unassigned	-	-	-	(109,902)
Total fund balances (deficit)	<u>2,831,142</u>	<u>117,508</u>	<u>2</u>	<u>7,332,062</u>
Total liabilities and fund balances	<u>\$ 2,841,105</u>	<u>\$ 117,508</u>	<u>\$ 2</u>	<u>\$ 7,619,006</u>

SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	134,072	-	-	-	380,723
Charges for services	-	1,365,218	-	-	-
Court fees, fines, and forfeitures	-	-	166,934	70,137	-
Interest	-	-	725	258	-
Other	-	600	-	-	103,879
Total revenues	<u>134,072</u>	<u>1,365,818</u>	<u>167,659</u>	<u>70,395</u>	<u>484,602</u>
EXPENDITURES					
Current:					
General government	36,590	-	-	-	-
Judicial	40,247	-	-	34,810	-
Public safety	-	1,462,517	273,253	-	-
Health and welfare	60,961	-	-	-	479,085
Housing and development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>137,798</u>	<u>1,462,517</u>	<u>273,253</u>	<u>34,810</u>	<u>479,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,726)</u>	<u>(96,699)</u>	<u>(105,594)</u>	<u>35,585</u>	<u>5,517</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	468,805	-	-	15,452
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>468,805</u>	<u>-</u>	<u>-</u>	<u>15,452</u>
Net change in fund balances	(3,726)	372,106	(105,594)	35,585	20,969
FUND BALANCES (DEFICIT), beginning of year	<u>15,067</u>	<u>672,623</u>	<u>359,117</u>	<u>85,078</u>	<u>(130,871)</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 11,341</u>	<u>\$ 1,044,729</u>	<u>\$ 253,523</u>	<u>\$ 120,663</u>	<u>\$ (109,902)</u>

Debt Service						
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2016 SPLOST Debt Service	2015 Airport Debt Service
\$ 294,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,230,580	-
-	-	-	-	-	-	-
-	69,750	-	-	-	-	-
-	476	-	111,320	-	846	-
-	-	-	-	-	-	-
<u>294,857</u>	<u>70,226</u>	<u>-</u>	<u>111,320</u>	<u>-</u>	<u>1,231,426</u>	<u>-</u>
-	-	-	-	-	-	31,026
-	42,798	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
199,871	-	-	-	-	-	-
-	-	-	-	-	-	232,500
-	-	-	128,748	-	302,300	106,225
<u>199,871</u>	<u>42,798</u>	<u>-</u>	<u>128,748</u>	<u>-</u>	<u>302,300</u>	<u>369,751</u>
<u>94,986</u>	<u>27,428</u>	<u>-</u>	<u>(17,428)</u>	<u>-</u>	<u>929,126</u>	<u>(369,751)</u>
-	-	-	1,007,615	-	-	369,751
<u>(110,384)</u>	<u>-</u>	<u>-</u>	<u>(706,494)</u>	<u>-</u>	<u>(422,377)</u>	<u>-</u>
<u>(110,384)</u>	<u>-</u>	<u>-</u>	<u>301,121</u>	<u>-</u>	<u>(422,377)</u>	<u>369,751</u>
(15,398)	27,428	-	283,693	-	506,749	-
<u>260,321</u>	<u>367,221</u>	<u>4,482</u>	<u>1,055,837</u>	<u>203</u>	<u>572,520</u>	<u>-</u>
<u>\$ 244,923</u>	<u>\$ 394,649</u>	<u>\$ 4,482</u>	<u>\$ 1,339,530</u>	<u>\$ 203</u>	<u>\$ 1,079,269</u>	<u>\$ -</u>

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SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Capital Projects			Total
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ 294,857
Intergovernmental	-	-	-	1,745,375
Charges for services	607,951	-	-	1,973,169
Court fees, fines, and forfeitures	-	-	-	306,821
Interest	24,230	-	-	137,855
Other	-	-	-	104,479
Total revenues	<u>632,181</u>	<u>-</u>	<u>-</u>	<u>4,562,556</u>
EXPENDITURES				
Current:				
General government	9,568	-	-	77,184
Judicial	-	-	-	117,855
Public safety	-	-	-	1,735,770
Health and welfare	-	-	-	540,046
Housing and development	-	-	-	199,871
Capital outlay	90,400	-	-	90,400
Debt service:				
Principal	-	-	-	232,500
Interest	-	-	-	537,273
Total expenditures	<u>99,968</u>	<u>-</u>	<u>-</u>	<u>3,530,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>532,213</u>	<u>-</u>	<u>-</u>	<u>1,031,657</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	20,000	-	1,881,623
Transfers out	-	-	-	(1,239,255)
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>642,368</u>
Net change in fund balances	532,213	20,000	-	1,674,025
FUND BALANCES (DEFICIT), beginning of year	<u>2,298,929</u>	<u>97,508</u>	<u>2</u>	<u>5,658,037</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 2,831,142</u>	<u>\$ 117,508</u>	<u>\$ 2</u>	<u>\$ 7,332,062</u>

SPALDING COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	125,377	134,072	8,695
Charges for services	-	-	-
Court fees, fines, and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	<u>125,377</u>	<u>134,072</u>	<u>8,695</u>
EXPENDITURES			
Current:			
General government	26,600	36,590	(9,990)
Judicial	29,822	40,247	(10,425)
Public safety	-	-	-
Health and welfare	68,955	60,961	7,994
Housing and development	-	-	-
Total expenditures	<u>125,377</u>	<u>137,798</u>	<u>(12,421)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,726)</u>	<u>(3,726)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(3,726)	(3,726)
FUND BALANCES (DEFICIT), beginning of year	<u>15,067</u>	<u>15,067</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 15,067</u>	<u>\$ 11,341</u>	<u>\$ (3,726)</u>

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,106,199	1,365,218	259,019	-	-	-
-	-	-	375,000	166,934	(208,066)
-	-	-	-	725	725
-	600	600	-	-	-
<u>1,106,199</u>	<u>1,365,818</u>	<u>259,619</u>	<u>375,000</u>	<u>167,659</u>	<u>(207,341)</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,575,004	1,462,517	112,487	375,000	273,253	101,747
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,575,004</u>	<u>1,462,517</u>	<u>112,487</u>	<u>375,000</u>	<u>273,253</u>	<u>101,747</u>
<u>(468,805)</u>	<u>(96,699)</u>	<u>372,106</u>	<u>-</u>	<u>(105,594)</u>	<u>(105,594)</u>
<u>468,805</u>	<u>468,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>468,805</u>	<u>468,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	372,106	372,106	-	(105,594)	(105,594)
<u>672,623</u>	<u>672,623</u>	<u>-</u>	<u>359,117</u>	<u>359,117</u>	<u>-</u>
<u>\$ 672,623</u>	<u>\$ 1,044,729</u>	<u>\$ 372,106</u>	<u>\$ 359,117</u>	<u>\$ 253,523</u>	<u>\$ (105,594)</u>

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SPALDING COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines, and forfeitures	48,000	70,137	22,137
Interest	-	258	258
Other	-	-	-
Total revenues	<u>48,000</u>	<u>70,395</u>	<u>22,395</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	52,000	34,810	17,190
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	<u>52,000</u>	<u>34,810</u>	<u>17,190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,000)</u>	<u>35,585</u>	<u>39,585</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (USES)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,000)	35,585	39,585
FUND BALANCES (DEFICIT), beginning of year	<u>85,078</u>	<u>85,078</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 81,078</u>	<u>\$ 120,663</u>	<u>\$ 39,585</u>

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 180,000	\$ 294,857	\$ 114,857
308,224	380,723	72,499	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
104,926	103,879	(1,047)	-	-	-
<u>413,150</u>	<u>484,602</u>	<u>71,452</u>	<u>180,000</u>	<u>294,857</u>	<u>114,857</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
468,602	479,085	(10,483)	-	-	-
-	-	-	206,691	199,871	6,820
<u>468,602</u>	<u>479,085</u>	<u>(10,483)</u>	<u>206,691</u>	<u>199,871</u>	<u>6,820</u>
(55,452)	5,517	60,969	(26,691)	94,986	121,677
55,452	15,452	(40,000)	-	-	-
-	-	-	-	(110,384)	(110,384)
<u>55,452</u>	<u>15,452</u>	<u>(40,000)</u>	<u>-</u>	<u>(110,384)</u>	<u>-</u>
-	20,969	20,969	(26,691)	(15,398)	121,677
<u>(130,871)</u>	<u>(130,871)</u>	<u>-</u>	<u>260,321</u>	<u>260,321</u>	<u>-</u>
<u>\$ (130,871)</u>	<u>\$ (109,902)</u>	<u>\$ 20,969</u>	<u>\$ 233,630</u>	<u>\$ 244,923</u>	<u>\$ 121,677</u>

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SPALDING COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	70,000	69,750	(250)
Interest	-	476	476
Other	-	-	-
Total revenues	<u>70,000</u>	<u>70,226</u>	<u>226</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	70,000	42,798	27,202
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	<u>70,000</u>	<u>42,798</u>	<u>27,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>27,428</u>	<u>27,428</u>
OTHER FINANCING (USES)			
Transfers in	-	-	-
Total other financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	27,428	27,428
FUND BALANCES (DEFICIT), beginning of year	<u>367,221</u>	<u>367,221</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 367,221</u>	<u>\$ 394,649</u>	<u>\$ 27,428</u>

SPALDING COUNTY, GEORGIA
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2008 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Interest	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	-	-	-
Debt service:			
Principal	-	-	-
Fiscal agent fees	-	-	-
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	<u>203</u>	<u>203</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 203</u>	<u>\$ 203</u>	<u>\$ -</u>

2016 SPLOST Debt Service			GMA Lease Pool Debt Service		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ 1,230,580	\$ 1,230,580	\$ -	\$ -	\$ -
-	847	847	150,000	111,320	(38,680)
-	1,231,427	1,231,427	150,000	111,320	(38,680)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
305,300	302,300	3,000	129,750	128,748	1,002
305,300	302,300	3,000	129,750	128,748	1,002
(305,300)	929,127	1,234,427	20,250	(17,428)	(37,678)
305,300	-	(305,300)	1,007,615	1,007,615	-
-	(422,377)	(422,377)	(1,027,865)	(706,494)	321,371
305,300	(422,377)	(727,677)	(20,250)	301,121	321,371
-	506,750	506,750	-	283,693	283,693
572,520	572,520	-	1,055,837	1,055,837	-
\$ 572,520	\$ 1,079,270	\$ 506,750	\$ 1,055,837	\$ 1,339,530	\$ 283,693

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SPALDING COUNTY, GEORGIA
DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2015 Airport Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Interest	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	31,026	31,026	-
Debt service:			
Principal	238,334	232,500	5,834
Fiscal agent fees			
Interest	131,420	106,225	25,195
Total expenditures	<u>400,780</u>	<u>369,751</u>	<u>31,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400,780)</u>	<u>(369,751)</u>	<u>(31,029)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	400,780	369,751	31,029
Transfers out	-	-	-
Total other financing sources (uses)	<u>400,780</u>	<u>369,751</u>	<u>31,029</u>
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPALDING COUNTY, GEORGIA
CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Interest	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	-	-	-
Capital outlay	117,500	-	117,500
Total expenditures	<u>117,500</u>	<u>-</u>	<u>117,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,500)</u>	<u>-</u>	<u>117,500</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	20,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	(97,500)	20,000	117,500
FUND BALANCES, beginning of year	<u>97,508</u>	<u>97,508</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 8</u>	<u>\$ 117,508</u>	<u>\$ 117,500</u>

Impact Fees			Capital Projects 2016 SPLOST		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 4,620,000	\$ 4,088,675	\$ (531,325)
333,640	607,951	274,311	-	-	-
-	24,230	24,230	-	139,716	139,716
<u>333,640</u>	<u>632,181</u>	<u>298,541</u>	<u>4,620,000</u>	<u>4,228,891</u>	<u>(391,109)</u>
10,700	9,568	1,132	-	-	-
2,031,770	90,400	1,941,370	6,409,000	778,031	5,630,969
<u>2,042,470</u>	<u>99,968</u>	<u>1,942,502</u>	<u>6,409,000</u>	<u>778,031</u>	<u>5,630,969</u>
(1,708,830)	532,213	2,241,043	(1,789,000)	3,450,860	5,239,860
-	-	-	-	422,377	422,377
-	-	-	302,300	-	(302,300)
-	-	-	<u>302,300</u>	<u>422,377</u>	<u>120,077</u>
(1,708,830)	532,213	2,241,043	(1,486,700)	3,873,237	5,359,937
2,298,929	2,298,929	-	6,233,526	6,233,526	-
<u>\$ 590,099</u>	<u>\$ 2,831,142</u>	<u>\$ 2,241,043</u>	<u>\$ 4,746,826</u>	<u>\$ 10,106,763</u>	<u>\$ 5,359,937</u>

(Continued)

SPALDING COUNTY, GEORGIA
CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Capital Projects 2008 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Interest	\$ -	\$ 44,241	\$ 44,241
Total revenues	<u>-</u>	<u>44,241</u>	<u>44,241</u>
EXPENDITURES			
Capital outlay	2,783,000	210,665	2,572,335
Debt service:			
Interest	1,500	300	1,200
Total expenditures	<u>2,784,500</u>	<u>210,965</u>	<u>2,573,535</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,784,500)</u>	<u>(166,724)</u>	<u>2,617,776</u>
Net change in fund balances	(2,784,500)	(166,724)	2,617,776
FUND BALANCES, beginning of year	<u>2,442,986</u>	<u>2,442,986</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ (341,514)</u>	<u>\$ 2,276,262</u>	<u>\$ 2,617,776</u>

Capital Projects 2005 SPLOST

Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2	2	-
\$ 2	\$ 2	\$ -

SPALDING COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Acquisition, construction and development of property for the Griffin-Spalding Development Authority	\$ 21,250,000	\$ 21,250,000	\$ 20,805,759	\$ 2,795	\$ 20,808,554
Acquisition, construction, improvements, and additions to Griffin Technical College	7,000,000	7,000,000	6,178,074	99,964	6,278,038
Acquisition of bus for use by senior citizens and other residents	150,000	150,000	127,827	-	127,827
Water and sewerage system improvements	2,500,000	2,500,000	71,966	-	71,966
Roads, streets, bridges, transportation improvements, and equipment	8,274,197	8,274,197	7,060,694	107,906	7,168,600
City of Griffin	10,924,198	10,924,198	10,204,020	-	10,204,020
City of Orchard Hill	475,605	475,605	424,749	-	424,749
City of Sunny Side	100,000	100,000	89,288	-	89,288
Bond interest expense	3,326,000	3,326,000	3,025,240	300	3,025,540
	<u>\$ 54,000,000</u>	<u>\$ 54,000,000</u>	<u>\$ 47,987,617</u>	<u>\$ 210,965</u>	<u>\$ 48,198,582</u>

SPALDING COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2016 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Retirement of outstanding indebtedness	\$ 3,070,000	\$ 3,070,000	\$ 3,107,018	\$ -	\$ 3,107,018
Acquisition and installation of a Computer Aided Dispatch (CAD) and phone system for E911	1,000,000	1,000,000	1,238,955	-	1,238,955
Equipment for the Senior Nutrition Program	120,000	120,000	120,000	-	120,000
Judicial computer hardware and software upgrades	675,000	675,000	603,189	-	603,189
Acquisition and construction of a pickleball facility	957,000	957,000	1,608,673	-	1,608,673
Fairmont Park improvements	920,000	920,000	546,451	447,825	994,276
Heritage Park improvements	995,000	995,000	234,070	52,715	286,785
Acquisition and installation of lighting for soccer at Wyomia Tyus Park	460,000	460,000	445,620	-	445,620
Relocation of 800MHz equipment from Highway 155	426,400	426,400	380,102	-	380,102
Acquisition and equipping of fire trucks, tankers and extraction tools for the Fire Department	831,000	831,000	400,537	-	400,537
Renovation of the Animal Control facility	1,185,000	1,185,000	-	33,611	33,611
Acquisition and equipping of materials for the Griffin-Spalding Library System	250,000	250,000	13,687	-	13,687
Improvements to AMBUCS Park, City Park, Dundee Lake Park, and Wyomia Tyus Park	1,031,700	1,031,700	-	-	-
Construction and equipping of a new aquatics center	4,690,000	4,690,000	-	-	-
Acquisition of vehicles and equipment for the Sheriff's Department Gang Reduction and Intervention Program (GRIP)	270,000	270,000	207,438	36,497	243,935
Roads, streets, bridges, transportation improvements, and equipment	8,705,851	8,705,851	4,017,077	186,483	4,203,560
City of Orchard Hill	491,452	491,452	338,878	19,400	358,278
City of Sunny Side	352,430	352,430	76,488	-	76,488
Bond interest expense	1,625,167	1,625,167	554,217	303,800	858,017
	<u>\$ 28,056,000</u>	<u>\$ 28,056,000</u>	<u>\$ 13,892,400</u>	<u>\$ 1,080,331</u>	<u>\$ 14,972,731</u>

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AGENCY FUNDS

SPALDING COUNTY, GEORGIA

AGENCY FUNDS

Tax Commissioner	To account for tax billings, collections, and remittances made by property owners of record on behalf of other governmental agencies.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.
Clerk of Superior Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Correctional Institution	To account for the receipt and disbursement of funds held on behalf of state inmates housed in the County correctional facility.
Sheriff	To account for the collection and remittance of fines, bond forfeitures, and various fees, and to account for the receipt and disbursement of funds held on behalf of County inmates housed in the County detention facility.

SPALDING COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ASSETS				
Cash	\$ 435,291	\$ 186,591	\$ 18,631	\$ 288,797
Taxes receivable	2,217,411	-	-	-
Accounts receivable	24,776	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,677,478</u>	<u>\$ 186,591</u>	<u>\$ 18,631</u>	<u>\$ 288,797</u>
LIABILITIES				
Due to others	<u>\$ 2,677,478</u>	<u>\$ 186,591</u>	<u>\$ 18,631</u>	<u>\$ 288,797</u>

<u>Correctional Institution</u>	<u>Sheriff</u>	<u>Total</u>
\$ 87,383	\$ 403,581	\$ 1,420,274
-	-	2,217,411
-	-	24,776
<u>\$ 87,383</u>	<u>\$ 403,581</u>	<u>\$ 3,662,461</u>
<u>\$ 87,383</u>	<u>\$ 403,581</u>	<u>\$ 3,662,461</u>

SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 239,737	\$ 32,117,458	\$ 31,921,904	\$ 435,291
Taxes receivable	2,264,657	2,217,411	2,264,657	2,217,411
Accounts receivable	24,224	552		24,776
Total assets	<u>\$ 2,528,618</u>	<u>\$ 34,335,421</u>	<u>\$ 34,186,561</u>	<u>\$ 2,677,478</u>
LIABILITIES				
Due to others	<u>\$ 2,528,618</u>	<u>\$ 34,335,421</u>	<u>\$ 34,186,561</u>	<u>\$ 2,677,478</u>
<u>Magistrate Court</u>				
ASSETS				
Cash	\$ 163,288	\$ 399,854	\$ 376,551	\$ 186,591
LIABILITIES				
Due to others	\$ 163,288	\$ 399,854	\$ 376,551	\$ 186,591
<u>Probate Court</u>				
ASSETS				
Cash	\$ 17,218	\$ 84,904	\$ 83,491	\$ 18,631
LIABILITIES				
Due to others	\$ 17,218	\$ 84,904	\$ 83,491	\$ 18,631
<u>Clerk of Superior Court</u>				
ASSETS				
Cash	\$ 734,064	\$ 1,262,895	\$ 1,708,162	\$ 288,797
LIABILITIES				
Due to others	\$ 734,064	\$ 1,262,895	\$ 1,708,162	\$ 288,797

SPALDING COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
<u>Correctional Institution</u>				
ASSETS				
Cash	\$ 60,398	\$ 601,228	\$ 574,243	\$ 87,383
LIABILITIES				
Due to others	\$ 60,398	\$ 601,228	\$ 574,243	\$ 87,383
<u>Sheriff</u>				
ASSETS				
Cash	\$ 277,615	\$ 313,562	\$ 187,596	\$ 403,581
LIABILITIES				
Due to others	\$ 277,615	\$ 313,562	\$ 187,596	\$ 403,581
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 1,492,320	\$ 34,779,901	\$ 34,851,947	\$ 1,420,274
Taxes receivable	2,264,657	2,217,411	2,264,657	2,217,411
Accounts receivable	24,224	552	-	24,776
Total assets	<u>\$ 3,781,201</u>	<u>\$ 36,997,864</u>	<u>\$ 37,116,604</u>	<u>\$ 3,662,461</u>
LIABILITIES				
Due to others	<u>\$ 3,781,201</u>	<u>\$ 36,997,864</u>	<u>\$ 37,116,604</u>	<u>\$ 3,662,461</u>

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COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA
STATEMENT OF NET POSITION
COMPONENT UNIT - WATER AUTHORITY
JUNE 30, 2019

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 13,656,744
Accounts receivable	1,146,719
Due from primary government	2,040
Restricted assets, cash, and cash equivalents	875,936
Total current assets	15,681,439
NONCURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	13,500
Capital assets, depreciable, net of accumulated depreciation	22,163,173
Total capital assets	22,176,673
Total noncurrent assets	22,176,673
Total assets	37,858,112
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	49,823
Total deferred outflows of resources	49,823
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	171,905
Accrued liabilities	8,801
Current portion of compensated absences payable	9,534
Current portion of bonds payable from restricted assets	810,000
Accrued interest	118,323
Total current liabilities	1,118,563
NONCURRENT LIABILITIES	
Compensated absences payable, net of current portion	5,494
Bonds payable, net of current portion	9,642,190
Total noncurrent liabilities	9,647,684
Total liabilities	10,766,247
NET POSITION	
Net investment in capital assets	11,774,308
Unrestricted	15,367,380
Total net position	\$ 27,141,688

SPALDING COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OPERATING REVENUES	
Charges for services	\$ 8,931,647
Total operating revenues	<u>8,931,647</u>
OPERATING EXPENSES	
Personal services and employee benefits	314,806
Contracted services	5,853,307
Material and supplies	328,443
Other operating expenses	72,031
Depreciation	730,955
Total operating expenses	<u>7,299,542</u>
Operating income	<u>1,632,105</u>
NON-OPERATING INCOME (EXPENSES)	
Interest income	21,206
Interest expense	(574,766)
Total non-operating income (expenses)	<u>(553,560)</u>
Change in net position	1,078,545
NET POSITION, beginning of year	<u>26,063,143</u>
NET POSITION, end of year	<u>\$ 27,141,688</u>

SPALDING COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$	8,798,475
Payments to employees		(15,008)
Payments to suppliers for goods and services provided		(6,140,872)
		2,642,595
Net cash provided by operating activities		2,642,595

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets		(51,367)
Principal payments on long-term borrowings		(710,000)
Interest payments on long-term borrowings		(672,850)
		(1,434,217)
Net cash used in capital and related financing activities		(1,434,217)

Net increase in cash and cash equivalents		1,229,584
Cash and cash equivalents, beginning of year		13,303,096
Cash and cash equivalents, end of year	\$	14,532,680

Reconciliation to the statement of net position:

Cash	\$	13,656,744
Restricted cash		875,936
		14,532,680
Total	\$	14,532,680

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$	1,632,105
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		730,955
Increase in accounts receivable		(133,172)
Decrease in deferred outflows of resources		298,938
Increase in accrued liabilities		860
Increase in accounts payable		112,909
		1,632,105
Net cash provided by operating activities	\$	2,642,595

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III. STATISTICAL SECTION

STATISTICAL SECTION

This part of Spalding County’s comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	105 – 112
<i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	113 – 118
<i>These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.</i>	
Debt Capacity	119 – 122
<i>These schedules contain information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	123 and 124
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	
Operating Information	125 – 128
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The County implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting financial information include information beginning in that year.

SPALDING COUNTY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Primary government:					
Governmental activities:					
Investment in capital assets	\$ 85,388,780	\$ 82,982,348	\$ 82,563,218	\$ 85,013,668	\$ 84,742,325
Restricted	21,882,136	20,114,417	23,034,482	22,485,176	22,961,705
Unrestricted	(11,601,739)	(9,704,012)	(7,948,212)	(6,712,169)	(2,321,893)
Total primary government net position	<u>\$ 95,669,177</u>	<u>\$ 93,392,753</u>	<u>\$ 97,649,488</u>	<u>\$ 100,786,675</u>	<u>\$ 105,382,137</u>

NOTE:

(1) Total Restricted Net Position increased in fiscal year 2006 due to the 2005 SPLOST bond proceeds.

Fiscal Year Ended June 30,				
2015	2016	2017	2018	2019
\$ 85,020,018	\$ 80,220,168	\$ 84,145,000	\$ 81,899,912	\$ 81,336,766
22,977,148	22,603,433	18,546,505	16,753,035	21,399,966
(4,259,173)	(3,484,551)	(5,647,943)	(6,092,143)	(3,862,370)
<u>\$ 103,737,993</u>	<u>\$ 99,339,050</u>	<u>\$ 97,043,562</u>	<u>\$ 92,560,804</u>	<u>\$ 98,874,362</u>

SPALDING COUNTY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 7,107,940	\$ 7,417,820	\$ 7,236,133	\$ 7,179,178	\$ 7,034,101
Judicial	4,528,384	4,617,323	5,088,552	4,858,593	4,794,545
Public safety	26,524,500	28,442,241	28,124,718	27,907,077	27,191,157
Public works	5,398,943	5,374,364	4,339,173	4,423,522	7,115,261
Health and welfare	1,095,175	934,364	620,797	615,933	569,205
Culture and recreation	2,643,500	2,677,153	2,848,613	2,586,924	2,394,204
Housing and development	4,522,298	6,118,772	996,194	793,346	825,926
Interest on long-term debt	1,145,336	1,085,318	909,418	749,441	561,341
Total primary government expenses	<u>\$ 52,966,076</u>	<u>\$ 56,667,355</u>	<u>\$ 50,163,598</u>	<u>\$ 49,114,014</u>	<u>\$ 50,485,740</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,983,902	\$ 1,956,814	\$ 2,203,046	\$ 1,813,058	\$ 1,787,846
Judicial	1,912,642	1,890,553	1,866,206	1,685,596	1,627,286
Public safety	5,968,936	5,656,679	5,641,026	5,300,243	5,225,633
Other activities	424,059	353,893	441,843	380,215	427,564
Operating grants and contributions	1,601,575	1,954,506	1,065,062	1,480,378	1,762,818
Capital grants and contributions	829,112	761,524	194,477	275,942	37,160
Total primary government program revenues	<u>\$ 12,720,226</u>	<u>\$ 12,573,969</u>	<u>\$ 11,411,660</u>	<u>\$ 10,935,432</u>	<u>\$ 10,868,307</u>
Net (expense)/revenue					
Total primary government net expense	<u>\$ (40,245,850)</u>	<u>\$ (44,093,386)</u>	<u>\$ (38,751,938)</u>	<u>\$ (38,178,582)</u>	<u>\$ (39,617,433)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 23,667,798	\$ 24,304,835	\$ 23,803,917	\$ 23,156,753	\$ 24,660,616
Alcoholic beverage taxes	330,645	342,638	332,017	333,786	330,240
Vehicle taxes	1,670,521	1,758,346	1,855,547	2,119,129	2,609,866
Sales taxes	13,657,070	12,772,683	14,367,296	12,821,902	13,830,494
Intangible taxes	193,729	197,775	199,474	280,425	196,240
Insurance premium taxes	1,695,431	1,648,929	1,676,704	1,791,251	1,861,717
Hotel/motel taxes	89,395	96,106	96,737	110,037	116,554
Other taxes	508,020	498,342	514,422	539,489	528,494
Unrestricted investment earnings	229,070	197,308	162,559	162,997	148,120
Total primary government	<u>\$ 42,041,679</u>	<u>\$ 41,816,962</u>	<u>\$ 43,008,673</u>	<u>\$ 41,315,769</u>	<u>\$ 44,282,341</u>
Change in Net Position					
Total primary government	<u>\$ 1,795,829</u>	<u>\$ (2,276,424)</u>	<u>\$ 4,256,735</u>	<u>\$ 3,137,187</u>	<u>\$ 4,664,908</u>

NOTES:

- (1) Sales taxes increased during fiscal year 2007 due to a full year of collections of the 2005 SPLOST issue.
- (2) Housing and development expenses increased due to the use of SPLOST proceeds on the University of Georgia Learning Center.
- (3) Developer contributions of infrastructure increased during fiscal year 2008.
- (4) Housing and development expenses increased due to the use of SPLOST proceeds on the University of Georgia Learning Center and the purchase of land for the Development Authority.

Fiscal Year Ended June 30,				
2015	2016	2017	2018	2019
\$ 5,496,857	\$ 6,313,727	\$ 9,048,366	\$ 7,094,473	\$ 6,398,786
4,938,181	4,801,190	4,454,124	4,749,565	4,754,535
27,544,324	28,428,857	30,304,644	32,043,298	32,358,206
2,688,331	4,512,690	4,683,035	6,655,312	4,665,063
574,334	576,772	559,589	994,880	1,024,892
2,499,384	3,071,094	2,302,041	3,192,941	2,876,231
1,830,357	5,636,437	3,518,215	4,590,713	1,360,182
364,470	759,213	432,502	558,406	584,771
<u>\$ 45,936,238</u>	<u>\$ 54,099,980</u>	<u>\$ 55,302,516</u>	<u>\$ 59,879,588</u>	<u>\$ 54,022,666</u>
\$ 2,318,583	\$ 2,060,790	\$ 2,073,456	\$ 1,783,252	\$ 1,662,159
1,624,499	1,683,399	1,680,909	2,403,684	2,415,084
5,654,678	5,757,601	5,817,893	6,354,027	6,756,048
551,090	580,049	581,784	1,071,279	1,384,558
1,437,094	1,566,317	1,755,962	1,693,743	1,790,001
6,917	43,316	61,735	543,005	348,719
<u>\$ 11,592,861</u>	<u>\$ 11,691,472</u>	<u>\$ 11,971,739</u>	<u>\$ 13,848,990</u>	<u>\$ 14,356,569</u>
<u>\$ (34,343,377)</u>	<u>\$ (42,408,508)</u>	<u>\$ (43,330,777)</u>	<u>\$ (46,030,598)</u>	<u>\$ (39,666,097)</u>
\$ 23,979,331	\$ 25,227,897	\$ 25,102,166	\$ 25,483,255	\$ 27,825,071
333,273	344,805	340,499	320,121	338,099
2,481,082	2,349,670	2,297,219	2,438,219	2,702,707
9,376,475	6,749,243	9,704,870	10,235,164	11,051,719
198,185	268,726	300,393	354,537	366,664
1,964,919	2,104,227	2,239,234	2,420,573	2,610,028
121,465	98,582	178,892	184,931	294,857
525,761	754,005	737,194	767,605	679,187
142,586	112,410	134,822	112,951	111,323
<u>\$ 39,123,077</u>	<u>\$ 38,009,565</u>	<u>\$ 41,035,289</u>	<u>\$ 42,317,356</u>	<u>\$ 45,979,655</u>
<u>\$ 4,779,700</u>	<u>\$ (4,398,943)</u>	<u>\$ (2,295,488)</u>	<u>\$ (3,713,242)</u>	<u>\$ 6,313,558</u>

SPALDING COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 193,337	\$ -	\$ -	\$ -	\$ -
Unreserved	4,310,343	-	-	-	-
Assigned	-	2,622,751	1,625,609	1,428,381	1,524,540
Unassigned	-	899,412	1,289,814	396,132	1,138,875
Total General Fund	6,615,101	4,127,849	4,503,680	-	2,915,423
All Other Governmental Funds					
Reserved, reported in					
Special revenue funds	119,813	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	- (1)	-	-	-	-
Unreserved, reported in					
Special revenue funds	2,382,741	-	-	-	-
Debt service funds	5,133,237	-	-	-	-
Capital projects funds	15,937,937 (1)	-	-	-	-
Restricted	-	21,353,846	24,058,981	23,348,779	24,150,690
Assigned	-	304,984	325,324	257,207	137,122
Unassigned	-	(21,258)	(105,694)	(17,473)	-
Total All Other Governmental Funds	26,699,146	23,188,066	23,573,728	21,637,572	24,278,611
Total Governmental Funds					
Reserved	313,150	-	-	-	-
Unreserved	27,764,258	-	-	-	-
Restricted	-	21,353,846	24,058,981	23,348,779	24,150,690
Assigned	-	2,927,735	1,950,933	1,685,588	1,661,662
Unassigned	-	878,154	1,184,120	378,659	1,138,875
Total Governmental Funds	\$ 33,314,247	\$ 27,315,915	\$ 28,077,408	\$ 25,159,735	\$ 27,194,034

NOTE:

(1) Reserved fund balance in capital projects funds was reclassified to unreserved fund balance during 2010.

Fiscal Year Ended June 30,				
2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,734,488	1,734,488	2,065,765	1,985,941	3,931,796
1,562,527	2,665,611	3,383,165	3,978,741	2,293,851
1,824,513	4,400,099	5,448,930	5,964,682	6,225,647
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
23,903,282	23,487,582	19,734,391	16,666,378	21,741,099
157,108	57,908	77,508	131,343	962,396
(325)	(98,329)	(80,005)	(130,871)	(109,902)
23,588,513	23,447,161	19,731,894	16,666,850	22,593,593
-	-	-	-	-
-	-	-	-	-
23,903,282	23,487,582	19,734,391	16,666,378	21,741,099
1,891,596	1,791,996	2,143,273	2,117,284	4,894,192
1,562,202	2,567,282	3,303,160	3,847,870	2,183,949
\$ 25,413,026	\$ 27,846,860	\$ 25,180,824	\$ 22,631,532	\$ 28,819,240

SPALDING COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
REVENUES					
Taxes	\$ 41,747,867	\$ -	\$ 43,300,961	\$ 40,600,157	\$ 44,079,395
Licenses and permits	284,908	-	213,767	192,893	227,586
Intergovernmental	2,032,718	-	1,230,452	1,712,109	1,784,111
Court fees, fines and forfeitures	1,931,150	-	1,693,715	1,640,502	1,455,478
Charges for services	6,464,925	-	6,331,877	5,997,745	5,996,839
Interest	180,614	-	160,259	151,839	151,156
Contributions and donations	70,532	-	8,645	42,094	6,580
Rentals	208,565	-	197,315	177,095	172,800
Other	1,401,023	-	1,735,452	1,172,539	1,215,928
Total Revenues	54,322,302	54,322,302	54,872,443	51,686,973	55,089,873
EXPENDITURES					
General government	5,596,919	-	5,282,991	4,870,294	4,406,367
Judicial	4,497,537	-	4,534,222	4,231,806	4,331,535
Public safety	25,556,186	-	27,581,114	26,894,567	27,261,190
Public works	4,025,335	-	3,697,648	3,492,002	3,874,610
Health and welfare	1,084,818	-	620,797	614,442	570,127
Culture and recreation	2,407,369	-	2,761,468	2,417,196	2,265,625
Housing and development	864,002	-	795,127	779,043	882,691
Intergovernmental	1,591,440	-	1,481,675	1,760,066	2,278,890
Capital outlay	5,990,744	-	1,255,926	3,591,788	2,954,068
Debt service	-	-	-	-	-
Principal	809,430	-	3,891,216	4,036,121	4,081,346
Interest	1,137,029	-	935,960	780,656	645,223
Issuance costs	-	-	-	-	-
Total Expenditures	53,560,809	53,560,809	52,838,144	53,467,981	53,551,672
Excess of Revenues Over (Under) Expenditures	761,493	761,493	2,034,299	(1,781,008)	1,538,201
OTHER FINANCING SOURCES (USES)					
Transfers in	1,358,499	-	1,535,051	1,309,771	1,636,593
Transfers out	(1,358,499)	-	(1,535,051)	(1,309,771)	(1,636,593)
Issuance of general obligation bonds	-	-	-	-	-
Premium on bond issue	-	-	-	-	-
Capital leases	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	\$ 761,493	\$ 761,493	\$ 2,034,299	\$ (1,781,008)	\$ 1,538,201
Debt Service as a Percentage of Noncapital Expenditures	3.87%	8.63%	9.57%	9.89%	9.12%

NOTES:

- (1) The first principal payment on the 2005 SPLOST bonds was made during fiscal year 2007.
- (2) Prior to fiscal year 2009, intergovernmental expenditures were included with General Government.

Fiscal Year Ended June 30,

	2015	2016	2017	2018	2019
\$	39,399,484	\$ 38,044,455	\$ 40,931,615	\$ 41,809,792	\$ 44,605,309
	446,798	418,321	392,243	444,861	543,445
	1,430,352	1,464,375	1,572,996	2,720,819	2,935,975
	1,649,797	1,574,445	1,553,137	2,346,158	2,204,448
	6,476,550	6,395,476	6,303,136	6,588,044	7,093,240
	149,490	122,429	165,022	222,788	341,954
	6,515	7,190	15,310	13,465	12,547
	230,493	200,242	194,690	194,408	194,330
	1,345,439	1,588,107	1,878,492	2,150,224	2,246,691
	<u>51,134,918</u>	<u>49,815,040</u>	<u>53,006,641</u>	<u>56,490,559</u>	<u>60,177,939</u>
	4,787,118	5,601,742	6,159,612	7,083,845	6,279,108
	4,453,014	4,209,749	4,396,908	4,722,297	4,798,893
	28,032,298	28,089,221	28,851,742	29,508,660	31,042,684
	3,291,378	3,544,994	3,712,824	4,279,733	5,279,609
	572,952	555,399	542,743	976,264	1,006,296
	2,596,783	2,469,123	2,543,356	2,822,324	3,003,876
	859,778	896,855	1,293,733	1,111,086	1,280,492
	304,851	312,493	-	-	-
	1,259,214	9,370,601	8,347,006	7,738,743	1,140,703
	4,140,010	3,306,685	-	58,817	362,108
	431,669	438,481	381,967	504,452	578,032
	-	250,572	-	-	-
	<u>50,729,065</u>	<u>59,045,915</u>	<u>56,229,891</u>	<u>58,806,221</u>	<u>54,771,801</u>
	<u>405,853</u>	<u>(9,230,875)</u>	<u>(3,223,250)</u>	<u>(2,315,662)</u>	<u>5,406,138</u>
	1,799,381	2,924,615	2,579,853	2,662,287	3,120,878
	(1,799,381)	(2,924,615)	(2,579,853)	(2,662,287)	(3,120,878)
	-	8,800,000	-	-	-
	-	1,019,527	-	-	-
	-	-	458,342	-	547,940
	-	-	-	-	-
	-	<u>9,819,527</u>	<u>458,342</u>	<u>-</u>	<u>547,940</u>
\$	<u>405,853</u>	<u>588,652</u>	<u>(2,764,908)</u>	<u>(2,315,662)</u>	<u>5,954,078</u>
	9.62%	6.85%	0.79%	1.03%	1.86%

SPALDING COUNTY, GEORGIA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value					Total Taxable Assessed Value
	Real and Personal Property	Motor Vehicle and Mobile Home	Timber	Heavy Timber	Less: Tax Exempt Property	
2010	1,565,885,934	135,919,364	550,284	-	218,058,229	1,484,297,353
2011	1,561,766,019	117,213,357	358,789	-	188,380,545	1,490,957,620
2012	1,542,214,895	115,540,343	310,999	-	220,133,898	1,437,932,339
2013	1,496,524,055	121,069,324	650,043	-	220,097,899	1,398,145,523
2014	1,479,706,924	125,820,159	309,703	-	200,203,913	1,405,632,873
2015	1,463,189,723	106,571,218	677,011	-	209,881,406	1,360,556,546
2016	1,519,814,420	79,819,338	1,455,865	-	205,799,187	1,395,290,436
2017	1,574,189,988	63,144,960	924,412	92,143	202,224,290	1,436,127,213
2018	1,605,028,191	48,401,542	720,581	89,200	191,620,795	1,462,618,719
2019	1,647,661,035	39,346,196	414,506	227,080	195,602,397	1,492,046,420

SOURCE:

Spalding County Board of Equalization and Assessment

NOTES:

Spalding County completed a county-wide tax assessment revaluation during 2013. The County assesses commercial, residential and real property at approximately 40% of actual value. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

Total Taxable Property		Assessed Value as a Percentage of Actual Value
Total Direct Tax Rate	Estimated Actual Value	
14.88	3,710,743,383	40%
14.81	3,727,394,050	40%
15.01	3,594,830,848	40%
15.01	3,495,363,808	40%
16.01	3,514,082,183	40%
16.01	3,401,391,365	40%
16.01	3,488,226,090	40%
15.66	3,590,318,033	40%
15.36	3,656,546,798	40%
16.54	3,730,116,050	40%

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SPALDING COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Spalding County direct rates:										
Unincorporated maintenance and operations	18.50	18.18	18.50	18.73	19.70	19.62	19.60	19.32	18.85	19.95
Sales tax reduction	(3.62)	(3.37)	(3.49)	(3.72)	(3.69)	(3.61)	(3.59)	(3.66)	(3.49)	(3.42)
Total direct rate	14.88	14.81	15.01	15.01	16.01	16.01	16.01	15.66	15.36	16.53
Municipal rates:										
City of Griffin:										
Maintenance and operations	8.63	8.63	8.63	8.63	8.61	8.40	7.89	7.77	7.77	7.64
City of Orchard Hill maintenance and operations										
	4.95	4.95	4.95	5.00	6.31	6.31	6.31	6.31	5.94	5.94
City of Sunny Side maintenance and operations										
	4.36	4.29	4.29	4.08	5.00	5.00	5.00	5.00	5.00	5.00
Fire protection (1)	5.04	5.98	5.92	6.00	6.10	6.22	6.31	5.91	5.84	6.06
Insurance premium rollback (1)	(1.81)	(1.81)	(1.75)	(1.83)	(1.93)	(2.05)	(2.14)	(2.30)	(2.23)	(2.45)
Board of Education	18.80	18.80	19.06	19.47	19.47	19.47	18.74	18.57	18.20	18.07
State of Georgia	0.25	0.25	0.25	0.20	0.15	0.10	0.05	-	-	-
Total Unincorporated Spalding County										
	37.16	38.03	38.49	38.85	39.80	39.75	38.97	37.84	37.17	38.21
Total Municipalities:										
City of Griffin	42.56	42.49	42.95	43.31	44.24	43.98	42.69	42.00	41.34	42.24
City of Orchard Hill	38.88	38.81	39.27	39.68	41.94	41.89	41.11	40.54	39.51	40.54
City of Sunny Side	38.29	38.15	38.61	38.76	40.63	40.58	39.80	39.23	38.56	39.60

SOURCE:

Spalding County Tax Commissioner's Office

NOTE:

(1) Fire protection and insurance premium rollback is applied only to unincorporated rates.

SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	Fiscal Year 2019		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Caterpillar, Inc.	Power generation systems	\$ 26,349,780	1	1.77%
Norcom	School paper products	15,261,135	2	1.02%
Coveris Holding Corporation	Flexible packaging manufacturing	14,998,986	3	1.01%
Pulte Home Company LLC	Sun City Peachtree retirement community	14,017,026	4	0.94%
Dematic Corporation	Supply chain automation & logistics	10,151,920	5	0.68%
Wal-Mart Stores, Inc.	Retail	9,357,215	6	0.63%
Central Georgia EMC	Public utility	9,102,320	7	0.61%
North Griffin Square LLC	Real estate development	8,739,324	8	0.59%
Bridgestone Bandag LLC	Retread manufacturing	8,638,543	9	0.58%
Hoshizaki Americas, Inc.	Commercial refrigeration systems	7,910,065	10	0.53%
Wellstar Spalding Regional Hospital	Hospital/health care	-	-	-
A E P Industries	Packaging film manufacturing	-	-	-
North Spalding Development Company	Real estate development	-	-	-
NACOM Corporation	Automotive electronics	-	-	-
Halpern Enterprises	Commercial real estate	-	-	-
First National Bank of Griffin	Financial Institution	-	-	-
Total		<u>\$ 124,526,314</u>		<u>8.35%</u>

SOURCE:

Spalding County Tax Commissioner's Office

Fiscal Year 2010		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 31,905,580	1	2.15%
4,315,565	10	0.29%
-	-	-
8,243,917	6	0.56%
-	-	-
8,753,709	4	0.59%
-	-	-
-	-	-
-	-	-
-	0	-
14,456,666	2	0.97%
11,081,113	3	0.75%
8,589,609	5	0.58%
6,168,122	8	0.42%
6,477,233	7	0.44%
5,917,242	9	0.40%
<u>\$ 105,908,756</u>		<u>7.15%</u>

SPALDING COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2010	\$ 20,053,526	\$ 18,706,433	93.28%	\$ 1,259,111	\$ 19,965,544	99.56%
2011	22,083,828	20,155,597	91.27%	1,096,406	21,252,003	94.76%
2012	21,583,364	20,165,501	93.43%	1,067,084	21,232,585	98.37%
2013	20,986,164	19,551,976	93.17%	1,219,528	20,771,504	98.98%
2014	22,504,182	21,422,273	95.19%	1,058,696	22,480,969	99.90%
2015	21,782,510	19,683,567	90.36%	983,528	20,667,095	94.88%
2016	22,338,600	20,805,491	93.14%	750,887	21,556,378	96.50%
2017	22,489,752	20,797,500	92.48%	702,779	21,500,279	95.60%
2018	22,465,824	21,133,423	94.07%	515,648	21,649,071	96.36%
2019	24,670,669	22,691,502	91.98%	-	22,691,502	91.98%

SOURCE:

Spalding County Tax Commissioner's Office

SPALDING COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Certificates of Participation	Intergovernmental Payable	Capital Lease Obligations	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2010	\$ 15,591,377	\$ 6,583,362	\$ -	\$ 3,619,365	\$ 25,794,104	1.50%	402
2011	12,671,796	6,237,305	-	3,118,074	22,027,175	1.26%	344
2012	9,652,215	5,867,627	-	2,596,536	18,116,378	0.97%	283
2013	6,532,634	5,474,116	-	2,053,926	14,060,676	0.76%	221
2014	3,313,053	5,061,581	-	1,585,115	9,959,749	0.53%	157
2015	-	4,620,000	-	1,186,684	5,806,684	0.30%	91
2016	9,819,527	2,500,000	-	-	12,319,527	0.60%	194
2017	9,661,490	2,500,000	3,300,000	458,342	15,919,832	0.75%	247
2018	9,471,847	2,500,000	3,285,000	399,525	15,656,372	0.71%	239
2019	9,282,204	2,500,000	3,052,500	817,857	15,652,561	0.68%	237

NOTES:

Details regarding Spalding County's outstanding debt can be found in the notes to the financial statements.

(1) Presented net of original issuance discounts and premiums.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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SPALDING COUNTY, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Bonded Debt Per Capita (4)
2010	\$ 15,591,377	\$ 3,535,875	\$ 12,055,502	0.32%	188
2011	12,671,796	1,415,162	11,256,634	0.30%	176
2012	9,652,215	3,673,987	5,978,228	0.17%	93
2013	6,532,634	1,313,912	5,218,722	0.15%	82
2014	3,313,053	713,923	2,599,130	0.07%	41
2015	-	-	-	0.00%	-
2016	9,819,527	253,965	9,565,562	0.27%	150
2017	9,661,490	151,150	9,510,340	0.26%	147
2018	9,471,847	572,520	8,899,327	0.24%	136
2019	9,282,204	634,522	8,647,682	0.23%	131

NOTES:

Details regarding Spalding County's outstanding debt can be found in the notes to the financial statements.

- (1) Presented net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- (4) See the Schedule of Demographic and Economic Statistics for population data.

SPALDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2010	2011	2012	2013	2014
Debt limit	\$ 148,429,735	\$ 149,095,762	\$ 143,791,843	\$ 139,808,821	\$ 140,559,346
Total net debt applicable to limit	<u>15,500,000</u>	<u>12,600,000</u>	<u>9,600,000</u>	<u>6,500,000</u>	<u>3,300,000</u>
Legal debt margin	<u>\$ 132,929,735</u>	<u>\$ 136,495,762</u>	<u>\$ 134,191,843</u>	<u>\$ 133,308,821</u>	<u>\$ 137,259,346</u>
Total net debt applicable to the limit as a percentage of debt limit	10.44%	8.45%	6.68%	4.65%	2.35%

NOTE:

Under Georgia law, Spalding County's outstanding general obligation debt should not exceed 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

Fiscal Year Ended June 30,				
2015	2016	2017	2018	2019
\$ 136,055,655	\$ 139,529,044	\$ 143,612,721	\$ 146,261,872	\$ 149,204,642
-	8,800,000	8,800,000	8,800,000	8,800,000
<u>\$ 136,055,655</u>	<u>\$ 130,729,044</u>	<u>\$ 134,812,721</u>	<u>\$ 137,461,872</u>	<u>\$ 140,404,642</u>
0.00%	6.31%	6.13%	6.02%	5.90%

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	\$ 1,687,648,817
Less exemptions	<u>195,602,397</u>
Total taxable assessed value	1,492,046,420
Debt limit (10% of assessed value)	149,204,642
Debt applicable to limit:	
General obligation bonds	<u>8,800,000</u>
Total net debt applicable to limit	<u>8,800,000</u>
Legal debt margin	<u>\$ 140,404,642</u>

SPALDING COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (thousands) (1)	Per Capita Personal Income (1)	School Enrollment (2)	Unemployment Rate (3)
2010	\$ 64,135	\$ 1,714,697	\$ 26,736	\$ 10,860	14.70%
2011	64,066	1,750,789	27,328	10,685	14.40%
2012	64,021	1,865,725	29,142	10,614	12.90%
2013	63,680	1,859,395	29,199	10,582	12.20%
2014	63,505	1,869,815	29,444	10,626	9.90%
2015	63,695	1,949,818	30,612	10,474	8.10%
2016	63,828	2,041,383	31,983	10,261	6.70%
2017	64,553	2,129,814	32,993	10,305	6.00%
2018	65,380	2,208,980	33,787	10,383	4.80%
2019	66,100	2,298,405	34,772	10,353	4.40%

SOURCES:

- (1) Bureau of Economic Analysis: Regional Economic Accounts
- (2) Spalding County Board of Education
- (3) U.S. Bureau of Labor Statistics

SPALDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	Industry	Fiscal Year 2019			Fiscal Year 2010		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County							
School System	Education	\$ 1,452	1	4.53 %	\$ 1,576	1	5.46 %
Caterpillar, Inc.	Automotive generators	900	2	2.81	900	2	3.12
Wellstar Spalding Regional							
Medical Center	Healthcare	900	3	2.81	900	3	3.12
Southern Crescent							
Technical College	Education	640	4	2.00	360	7	1.25
CareMaster Medical	Home Nursing	600	5	1.87			
Spalding County	Government	601	6	1.87	536	4	1.86
City of Griffin	Government	466	7	1.45	478	5	1.66
University of Georgia Griffin	Agricultural research						
Campus	education	405	8	1.26	405	8	1.40
Norcom	School supplies	280	9	0.87	280	9	0.97
1888 Mills/Southern Terry	Terry cloth towels	278	10	0.87	375	6	1.30
AEP Industries, Inc.	Packaging film	-		-	250	10	0.87
		<u>\$ 6,522</u>		<u>20.34 %</u>	<u>\$ 6,060</u>		<u>21.00 %</u>

SOURCE:

Griffin-Spalding County Development Authority

SPALDING COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	48	48	48	47	43	44	46	45	47	49
Judicial	50	50	51	50	48	47	43	42	42	43
Public Safety										
Sheriff										
Officers	156	154	155	155	155	157	157	144	176	175
Civilians	36	35	40	38	35	38	35	31	24	24
Correctional Institution										
Officers	80	80	80	79	79	76	77	75	74	72
Civilians	7	6	7	6	6	6	7	6	10	10
Fire										
Firefighters and officers	80	80	82	81	81	82	81	74	81	81
Civilians	2	2	2	1	1	1	1	1	1	1
Animal Control	5	5	5	5	5	5	5	5	5	5
Coroner	1	1	1	1	1	1	1	1	1	1
Emergency 911	26	26	26	26	26	26	26	24	26	26
800 MHz Communications	1	1	1	1	1	1	1	1	1	1
Homeland Security	1	1	1	1	1	1	1	1	1	1
Juvenile Probation	6	6	6	6	6	6	6	6	6	6
Public Works										
Streets and highways	35	35	35	35	35	32	32	26	32	32
Solid waste	17	17	17	10	10	9	10	9	10	10
Health and Welfare	1	1	1	1	1	1	5	5	5	6
Culture and Recreation	38	37	38	36	34	31	34	32	38	37
Housing and Development	15	15	15	15	15	12	12	12	14	11
Total Governmental Funds	<u>605</u>	<u>600</u>	<u>611</u>	<u>594</u>	<u>583</u>	<u>576</u>	<u>580</u>	<u>540</u>	<u>594</u>	<u>590</u>

SOURCE:

Spalding County Human Resources Department

SPALDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Sheriff:										
Physical arrests	3,154	2,831	2,477	1,124	1,019	1,764	1,376	5,254	2,978	1,827
Traffic violations	1,114	1,269	1,397	1,528	1,125	679	640	1,693	3,395	3,903
Fire District:										
Calls answered	1,374	1,710	1,619	1,734	1,747	2,379	3,534	3,442	3,944	2,959
Inspections	448	394	311	267	390	265	512	457	334	697
Public Works										
Street resurfacing (miles)	10	3	7	6	27	-	15	17	12	-

SOURCE:

Various County departments

NOTE:

Indicators are not available for the general government, judicial, culture and recreation, health and welfare, and housing and development functions.

SPALDING COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	43	45	45	53	40	48	50	49	49	49
Fire District:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire trucks	13	11	9	11	9	10	12	11	12	11
Public Works										
Roads (miles)	440	445	446	447	448	451	457	457	458	458
Culture and Recreation										
Parks acreage	497	509	509	509	509	509	509	509	509	509
Playgrounds	13	13	13	13	13	13	13	13	17	21
Baseball/Softball diamonds	20	20	20	20	20	20	20	20	20	19
Soccer fields	7	7	7	7	7	7	7	7	7	7
Football fields	2	3	3	3	2	2	2	2	2	2
Recreation centers	3	4	4	4	4	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	1	1	1	1	1	1	1	1	1	1
Walking trails	8	9	9	9	9	9	9	9	10	11
Disc golf courses	-	-	-	-	-	-	1	1	2	3
Skate parks	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	-	-	18	18

SOURCE:

Various County departments.

NOTE:

Indicators are not available for the general government, judicial, health and welfare, and housing and development functions.

SPALDING COUNTY, GEORGIA

ONE PERCENT SALES AND USE TAX COLLECTIONS LAST TEN FISCAL YEARS

One Percent Sales and Use Tax Collections (1)

<u>Fiscal Year</u>	<u>Amount</u>
2010	\$ 8,488,998 (2)
2011	8,375,663
2012	8,700,282
2013	8,485,914
2014	8,200,363
2015	8,523,104
2016	1,371,784 (3)
2017	8,653,100
2018	8,732,890
2019	9,645,304

SOURCE:

Georgia Department of Revenue

NOTES:

- (1) The data shown reflects total collections (includes both the County's and the Cities' portions) of the County's special purpose one percent local option sales and use tax.
- (2) The 2008 SPLOST collections began January 1, 2009 and ended December 31, 2014.
- (3) The 2015 SPLOST collections began April 1, 2016.

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CONTINUING DISCLOSURE INFORMATION

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY REVENUE BOND COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 7,971,214	\$ 5,385,310	\$ 2,585,904	\$ 935,000	\$ 821,319	\$ 1,756,319	1.47
2011	7,416,324	5,453,767	1,962,557	965,000	785,694	1,750,694	1.12
2012	7,761,376	5,659,962	2,101,414	990,000	747,800	1,737,800	1.21
2013	7,147,054	5,142,221	2,004,833	1,000,000	708,000	1,708,000	1.17
2014	8,021,289	5,685,488	2,335,801	1,020,000	667,600	1,687,600	1.38
2015	7,880,155	5,628,960	2,251,195	140,000	644,400	784,400	2.87
2016	7,762,610	5,755,928	2,006,682	285,000	410,332	695,332	2.89
2017	8,661,978	6,078,404	2,583,574	475,000	421,288	896,288	2.88
2018	8,399,530	6,072,230	2,327,300	605,000	398,438	1,003,438	2.32
2019	8,931,647	6,568,587	2,363,060	710,000	574,766	1,284,766	1.84

NOTE:

(1) Exclusive of depreciation and amortization.

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY TEN LARGEST WATER CUSTOMERS CURRENT FISCAL YEAR

Customer	Industry	Rank	Usage (in gallons)	Total Annual Billing	Percentage of Total Annual Charges
Spalding County Law Enforcement Complex	Government	1	20,844,400	\$ 216,656	2.48 %
Trimark Northside LLC	Apartment Homes	2	12,907,200	132,735	1.52
Spalding County Correctional Institution	Government	3	9,139,500	94,991	1.09
Wolf Creek Homes	Town Home Community	4	7,138,700	73,038	0.84
Brightmoor Health	Nursing Home	5	6,301,600	65,332	0.75
Caterpillar, Inc.	Power Generation Systems	6	5,819,000	60,686	0.69
Sun City Peachtree	Retirement Community	7	4,564,700	46,801	0.54
AEP Industries, Inc.	Packaging Film	8	4,323,400	44,494	0.51
Walker Concrete Company	Concrete Company	9	4,065,000	41,985	0.48
Ingles Markets, Inc.	Grocery Market	10	2,367,500	24,817	0.28
Total			<u>77,471,000</u>	<u>\$ 801,535</u>	<u>9.17 %</u>

SOURCE:

City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY NUMBER OF CUSTOMERS AND CONSUMPTION LAST TEN FISCAL YEARS

Fiscal Year	Number of Customers (as of June 30)	Total Water Consumption	Rates per 1,000 Gallons		
			1,000 - 7,000 Gallons	7,000 - 10,000 Gallons	Over 10,000 Gallons
2010	11,838	847,768,000	6.49	8.11	8.89
2011	12,104	809,328,600	6.49	8.11	8.89
2012	12,218	822,145,200	6.64	8.30	9.10
2013	12,193	776,411,400	7.06	8.83	9.67
2014	12,478	753,268,900	7.06	8.83	9.67
2015	12,656	754,504,640	7.06	8.83	9.67
2016	12,943	740,362,000	7.37	9.21	10.10
2017	13,029	801,021,100	7.37	9.21	10.10
2018	13,185	764,139,600	7.37	9.21	10.10
2019	13,520	778,498,400	7.95	9.94	10.89

SOURCE:
City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY SUMMARY OF WATER COSTS AND WHOLESALE WATER RATES PAID TO THE CITY OF GRIFFIN LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Water Cost</u>	<u>Price per 1,000 Gallons (1)</u>
2010	4,578,816	5.23
2011	4,834,510	6.01
2012	4,971,594	6.09
2013	4,880,469	6.51
2014	4,778,185	6.17
2015	4,698,232	6.29
2016	4,764,166	6.60
2017	5,164,211	6.27
2018	4,794,798	6.28
2019	5,103,514	6.86

SOURCE:

City of Griffin

NOTE:

- (1) The significant rise in wholesale water rates in 2011 and later years is primarily due to an increase in debt service (and thus operating costs) of the City associated with the Still Branch Reservoir.

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY WATER CONNECTION FEES AND SEWER SERVICE RATES

Water Connection Fees (1)		Sewer Service Rates (2)	
Meter Size	Cost	Gallons	Sewer Service Rate
3/4"	\$ 930	Up to 2,000	\$ 21.60
1"	1,185		
2" or larger	1,000	Over 2,000	10.80/1,000 gallons
Fire lines	1,000		

SOURCE:

Spalding County Water Authority

NOTES:

- (1) The current water tap fees have been in effect since 2006.
- (2) The current sewer service rates have been in effect since inception of the sewer system.

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IV. COMPLIANCE SECTION



**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 *GOVERNMENTAL AUDITING STANDARDS***

**Board of Commissioners
of Spalding County, Georgia
Griffin, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Spalding County, Georgia (the County) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 19, 2019. Our report includes references to other auditors who audited the financial statements of the Spalding County Department of Public Health and the Griffin-Spalding County 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..

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 19, 2019

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___ Yes <u> X </u> No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes <u> X </u> None Reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2019 due to the County not expending \$750,000 or more of federal funds.

SPALDING COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

SPALDING COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

None reported.

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR

**Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia**

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Spalding County, Georgia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Spalding County, Georgia's basic financial statements. We have issued our report thereon dated December 19, 2019, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of State Contractual Assistance - DHR is presented for purposes of additional analysis as required by the Uniform Guidance, and is 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 Schedule of State Contractual Assistance - DHR is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended for the information of management and federal awarding agencies and pass-through entities that are required to receive this report and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
December 19, 2019

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>State Program Name</u>	<u>Contract Number</u>	<u>Contract Period</u>	<u>Due From State June 30, 2018</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Due From State June 30, 2019</u>
Community Services Block Grant	42700-040-063896	July 2018 - September 2018	\$ -	\$ 51,976	\$ 51,976	\$ -
Community Services Block Grant	42700-040-076874	October 2018 - June 2019	<u>17,341</u>	<u>99,399</u>	<u>105,798</u>	<u>23,740</u>
			<u>\$ 17,341</u>	<u>\$ 151,375</u>	<u>\$ 157,774</u>	<u>\$ 23,740</u>