

SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

SPALDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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I. INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

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

COUNTY MANAGER
William P. Wilson, Jr.

ASSISTANT COUNTY MANAGER
Michelle Irizarry

COUNTY ATTORNEY
James R. Fortune, Jr.

December 18, 2020

To the Honorable Gwen-Flowers-Taylor, Chairman,
Members of the Board of Commissioners,
and Citizens of Spalding County, Georgia:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Spalding County, Georgia for the fiscal year ended June 30, 2020.

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, 2020. 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. The 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, 2020. 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 66,703. 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 is considered the southern most suburb of the Atlanta region and is conveniently situated near I-75 and directly on the routes of Georgia Highways 16 and 19/41. This proximity to the Atlanta Metropolitan Area continues to aid in driving our economy upward and out of the recession.

During the past ten years, Spalding County's unemployment rate has fallen from an initial high of 14.4% in 2011 to the current low of 8.9% in 2020. The current unemployment rate for the State of Georgia is 7.6%.

The local economy continues to show signs of improvement in the real estate market along with commercial construction and retail shopping development even in the wake of the COVID-19 pandemic. 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 Economic Development Division on the Griffin campus to house the Georgia Work Ready program and provide support to the business and industrial community. The Griffin Regional College and Career Academy ("GRCCA") is housed in the newly renovated former Spalding High School property and currently has over 400 students enrolled for the 2020 – 2021 school year and continues to grow. GRCCA offers pathway options of in-demand careers in the region as well as the state. Last year aviation and logistics courses were added, both with classroom simulators. This year the on-campus Aviation Hangar classroom with two aircraft for actual hands on experience opened and stimulated an increase in demand for the Aviation mechanics pathway. Additional pathways were added in the 2020-2021 school year such as drones, (a component of aviation) and cyber security.

The Griffin Spalding County School system ("GSCS") currently serves over 10,000 students. With just over 600 classroom teachers, the County's teacher to student ratio is 1:15.14. GSCS' 2019 graduation rate was 90.2%, up for the fourth consecutive year. The rate was 88.58% in 2018, 85.39% in 2017 and 81.5% in 2016. The 2019 graduation rate topped the state's average of 82%.

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 has continued to increase steadily from 188 permits in 2015 to 281 during 2019. With the COVID-19 crisis slowing the pace this year the County expects to see over 260 new single-family permits for 2020. The average square footage of new single-family homes this year is 3096 square feet, an almost 41% increase compared to 2015. The average size of homes and the average price per square foot is increasing on a yearly basis, but remains development and consumer friendly, considering land prices and availability, when compared to surrounding counties.

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, two new pods in 2019, two new pods in 2020 and have plans for construction of a second entrance in 2021 in addition to several new pods. 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 fifth industry in The Lakes at Green Valley, Georgia’s first eco-friendly Industrial Park. The Lakes at Green Valley Industrial Park is now home to Rinnai, Otsuka, Toppan, Maruken, and MKDA. The Lakes at Green Valley Industrial Park sits directly off Highway 16 and is situated only eight miles from the Highway 16 and I-75 interchange. Rinnai permitted their nearly 400,000 square foot building earlier this year and MKDA is currently in the final stages of the review process for their nearly 70,000 square foot building. Both Toppan Printing and Otsuka Chemical have expanded their facilities since opening in the industrial park. The Development Authority has commitments on the two remaining sites in The Lakes and has begun a search for a future Industrial Park location.

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% with FAA Airport Improvement Program (“AIP”) Trust Fund dollars and the County and City will jointly fund the remaining 10% in local matching funds, dependent on the amount of the Georgia Department of Transportation (“GDOT”) participation. We estimate five years to completion.

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 Of 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.

In 2019, the Airport Authority produced a Supplemental Environmental Assessment (“SEA”) based on its Airport Land Acquisition Phasing Plan (“ALAPP”). Georgia Department of Transportation has accepted the SEA and the FAA is reviewing the document now and should issue a FONSI (Finding Of No Significant Impact) in the first quarter of 2021. The ALP is on its way through the multi-agency review process and should receive approval in early 2021 as well. The Airport Authority has completed Phase-1 Land Acquisition for the first 41 parcels of land. Phase- 2 Land Acquisition of the remaining 15-20 parcels will commence in 2021. Following Land Acquisition, we will move into 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. With the addition of four disc golf courses, Spalding County has been named Disc Golf Capital of the Southeast and hosted the Disc Golf Southern National Tournament in August 2020, utilizing all four courses. In October 2020 the County hosted the GRPA State Pickleball Tournament with competing teams and individuals from 12 states. Spalding County Leisure Services and Parks & Public Grounds departments brought home a total of 14 GRPA State and District Awards in 2020. Agency of the Year and Athletic Network Outstanding Program were two of the state level awards while Class “A” Agency of the Year and Programmers Network Outstanding Special Event were just two of the district level awards.

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, will work together to again update the Joint City of Griffin-Spalding County Comprehensive Transportation Plan (“CTP”) in the next 18 months. 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 has completed a Freight Cluster Study to identify opportunities to better promote economic development and improve freight operations within the County. This study builds on the current business climate within the County based on regional trends and best practices. Two new studies have been approved by ARC and will be kicked off in 2021. A Transit Master Plan to look at transit options currently available and recommended for the future and a relocation and re-designation study of State Route 155 to remove truck traffic from Griffin Downtown Business District.

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 55 months of collections have exceeded estimates by 13.6% 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, 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 with County parks and transportation improvements. Most recently the County completed 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 received two new Quick Response Vehicles and a new pumper truck this

new Quick Response Vehicles and a new pumper truck this year as well. In September of this year the County broke ground on the new and state-of-the-art Spalding County Animal Shelter, which is scheduled to open in late 2021.

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 2020 the Griffin Housing Authority partnered with Spalding County in a joint redevelopment project in the Fairmont/Heritage Park Community. Through those efforts a new 83-unit multi-story housing complex will be developed and renovations to the Equalization Building in Heritage Park will be made possible for the community's use.

In 2015 Spalding County, the City of Griffin and the Griffin-Spalding County School System entered 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 have been over 75 students engaged in the program with over 25 faculty partnerships that have generated more than 50 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. In 2020 The Archway Partnership began the process to develop a Community-wide Strategic Plan for Griffin+Spalding. The Executive Committee spearheaded this process and this project is scheduled to kick off in early 2021 and be completed by the end of the year.

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 2020 General Fund actual revenues were less than appropriations (\$48,856,983 versus \$49,817,701), however, no final appropriation of fund balance was necessary to balance the budget since actual expenditures were less than appropriations (\$46,786,788 versus \$57,308,407).

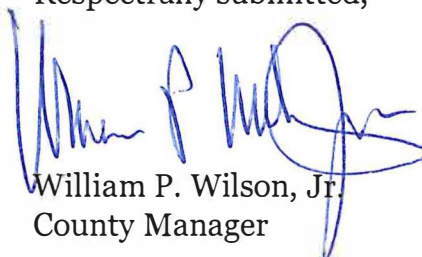


Awards and Acknowledgements

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, 2019. This was the 19th 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 that satisfies both generally accepted accounting principles and applicable program requirements.

A 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 Spalding County 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

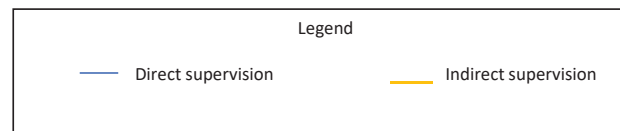
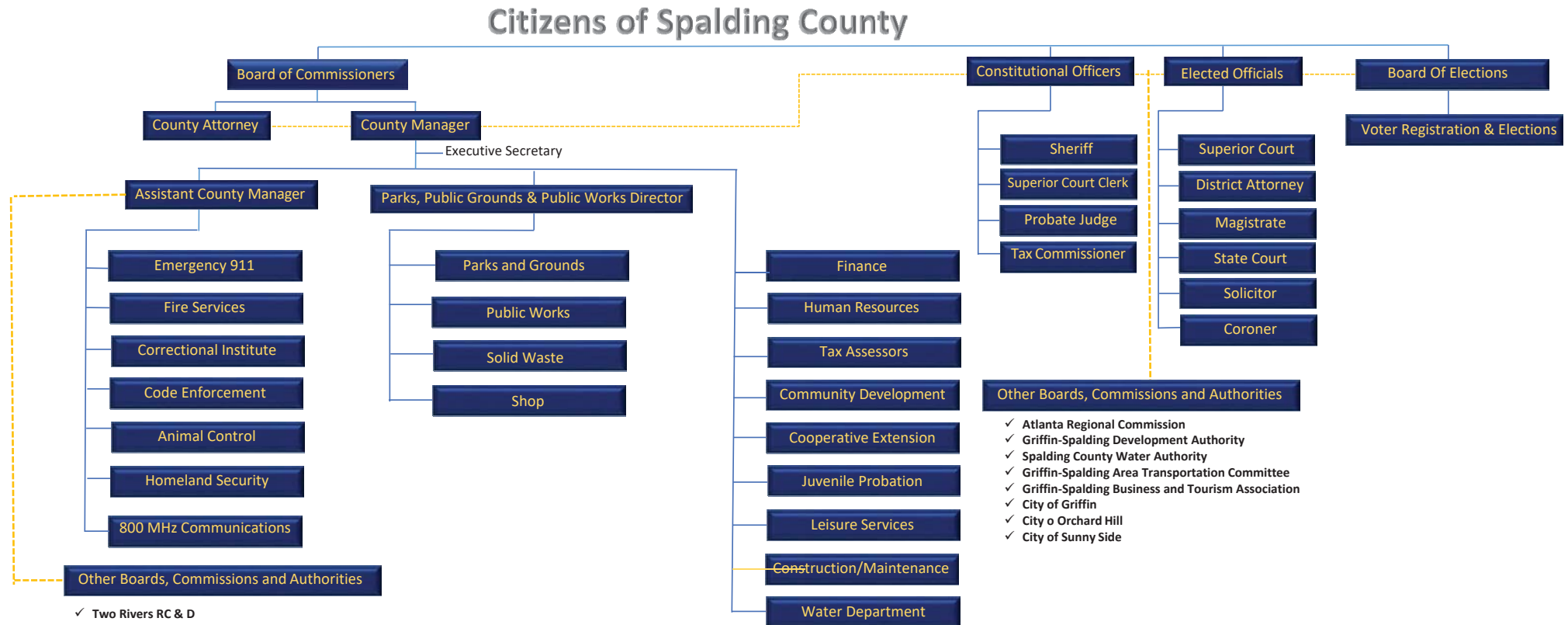
June 30, 2019

Christopher P. Morill

Executive Director/CEO

SPALDING COUNTY, GEORGIA

ORGANIZATIONAL CHART JUNE 30, 2020



November 1, 2019

SPALDING COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2020

BOARD OF COMMISSIONERS

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

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

Marie G. Broder

SUPERIOR COURT JUDGES

Christopher C. Edwards
W. Fletcher Sams
Scott Ballard
Benjamin Coker
Ben J. Miller, Jr.

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, 2020, 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 \$1,616,323 and \$15,544,128, respectively, total net position of \$171,801 and \$15,270,319, respectively, and total revenues of \$1,623,153 and \$490,789, respectively, which collectively represent 30.98%, 35.12%, and 18.56%, 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 are 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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports 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, 2020, 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 73), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 74), and the Schedule of County Contributions (page 75) 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 Annotated ("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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, 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 18, 2020, 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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 18, 2020

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

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, 2020. 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 the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$90,494,057 (net position), a decrease of \$8,380,305 in comparison with the prior year. Of this amount, \$77,247,114 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. \$24,128,257 is restricted by constraints imposed externally from outside the County such as grant and debt covenants, laws and regulations, and other governments. The unrestricted net position, which represents the amounts available to meet Spalding County's ongoing obligations to citizens and creditors, is a deficit of \$10,881,314. In January 2019 the County implemented an enhanced defined benefit pension plan for current and future employees which has resulted in a substantial increase in the current year's net pension liability of \$12,236,315.
- At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$38,202,771, an increase of \$9,383,531 or 32.56% in comparison with the prior year. Of this amount, \$7,700,304 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2020, the County's General Fund reported a total fund balance of \$12,206,457, an increase of \$5,980,810 over the prior year. The General Fund's unassigned fund balance was \$7,777,752, an increase of \$5,483,901 in comparison with the prior year which is due primarily to the receipt of master equipment lease purchase proceeds.
- The 2016 SPLOST Capital Projects Fund and 2016 SPLOST Debt Service Fund closed fiscal year 2020 with fund balances of \$9,346,177 and \$4,201,372, respectively. The County's 2016 SPLOST generated a total of \$5,728,989 in sales tax revenues during fiscal year 2020. 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

The County maintains 20 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, 2016 SPLOST Capital Projects and 2016 Debt Service funds which are considered to be major funds. Data from the other 16 governmental funds are combined into a single aggregated column. Individual

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 – 24. The basic governmental fund financial statements can be found on pages 17 – 20. 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 30 – 72 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 73 – 75 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 76 – 101 of this report.

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 \$90,494,057 at the close of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far, the largest portion of the County's net position (85.36%) 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

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 43,047,545	\$ 33,932,915
Capital assets	93,481,428	93,612,165
Total assets	<u>136,528,973</u>	<u>127,545,080</u>
Deferred outflow of resources	<u>4,081,860</u>	<u>3,876,957</u>
Long-term liabilities outstanding	38,137,155	24,117,292
Other liabilities	6,409,729	3,921,628
Total liabilities	<u>44,546,884</u>	<u>28,038,920</u>
Deferred inflow of resources	<u>5,569,892</u>	<u>4,508,755</u>
Net position:		
Net investment in capital assets	77,247,114	81,336,766
Restricted	24,951,060	21,399,966
Unrestricted	(11,704,117)	(3,862,370)
Total net position	<u>\$ 90,494,057</u>	<u>\$ 98,874,362</u>

An additional portion of the County's net position (26.66%) 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 \$10,881,314 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 increased \$7,018,944 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$8,380,305 over the prior fiscal year for an ending balance of \$90,494,057. Key elements of the decrease in net position are as follows:

Spalding County's Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues		
Program revenues:		
Charges for services	\$ 11,856,043	\$ 12,217,849
Operating grants and contributions	2,933,777	1,790,001
Capital grants and contributions	345,137	348,719
General revenues:		
Property taxes	29,768,448	27,825,071
Other taxes	20,235,784	18,043,261
Investment income	112,983	111,323
Total revenues	<u>65,252,172</u>	<u>60,336,224</u>
Expenses		
General government	9,864,438	6,398,786
Judicial	6,428,585	4,754,535
Public safety	42,576,772	32,358,206
Public works	7,132,495	4,665,063
Health and welfare	1,115,190	1,024,892
Culture and recreation	4,293,452	2,876,231
Housing and development	1,654,013	1,360,182
Interest on long-term debt	567,532	584,771
Total expenses	<u>73,632,477</u>	<u>54,022,666</u>
Change in net position	(8,380,305)	6,313,558
Net position, beginning of year, as restated	98,874,362	92,560,804
Net position, end of year	<u>\$ 90,494,057</u>	<u>\$ 98,874,362</u>

Governmental activities total revenues were \$65,252,172 at June 30, 2020, an increase of \$4,915,948, or 8.15% over the prior year. Charges for services decreased slightly over the previous fiscal year primarily due to the effect of the COVID-19 pandemic on the courts system and leisure services programs. Operating grants and contributions increased \$1,143,776 over the previous fiscal year due to federal and state grants for COVID-19 response. Capital grants and contributions remained relatively unchanged during 2020.

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections provided 45.62% of total revenues during 2020 as compared to 46.11% in 2019. The net tax digest increased 8.41% over the previous year, forgoing the need for a tax increase to fund general government operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sales tax collections increased \$1,356,045 over the prior year and provided 19.02% of total revenues during fiscal year 2020 as compared to 18.32% in fiscal year 2019.

Governmental activities total expenses were \$73,632,477 at the end of fiscal 2020, an increase of \$19,609,812, or 36.30% over the prior year. Key elements of changes from the prior year were in the following functional areas:

- General government expenses increased \$3,465,652.
- Judicial expenses increased \$1,674,050.
- Public safety expenses increased \$10,218,566.
- Public works expenses increased \$2,467,432.
- Health and welfare expenses increased \$90,298.
- Culture and recreation increased \$1,417,221.
- Housing and development expenses increased \$293,831.
- Interest on long-term debt decreased \$17,239.

All functional increases noted above were due to substantial increases in the County's net pension liability and Other Post-Employment Benefits liability.

Financial Analysis of the Government's Funds

As noted earlier, Spalding 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 \$38,202,771, an increase of \$9,383,531 in comparison with the prior year. Approximately 20.16% of this total amount (\$7,700,304) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, \$25,914,169 is restricted for public safety, capital projects, and debt service and \$4,588,298 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 \$5,980,810 to \$12,206,457. Unassigned fund balance of the general fund increased by \$5,483,901 from the prior year to \$7,777,752. This increase was due mainly to the receipt of proceeds from a one-time master equipment lease. 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 16.62% of total general fund expenditures, while total fund balance represents 26.09% 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 \$3,605,599, which is an increase of \$727,093 over the previous year. The primary reason for the increase in fund balance is an increase in property taxes and Insurance Premium Tax proceeds.

The 2016 SPLOST Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest for the 2016 General Obligation Sales Tax Bonds. At the end of fiscal year 2020, this fund had a restricted fund balance of \$4,201,372, an increase of \$3,122,103, due solely to the accumulation of sales tax proceeds for debt repayment. The bonds were issued in March 2016 with semi-annual interest payments due beginning July 1, 2016 and the first principal payment due in arrears on July 1, 2020.

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 Spalding 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 a competition and therapy aquatic center, a new County animal shelter and various park improvements, infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. At the end of fiscal year 2020, this fund had a restricted fund balance of \$9,346,177, which is a decrease of \$760,586 from the prior year. This decrease is due to the majority of sales tax proceeds for the year going into the 2016 SPLOST Debt Service Fund to accumulate funds for the first principal payment due in fiscal year 2021.

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 \$698,241 at the end of fiscal year 2020, a decrease of \$227,590. This decrease is due to settlement of a large, outstanding workers' compensation claim.

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 \$6,296,828 and can be summarized as follows:

- Increase in general government activities – \$4,929,585, due primarily to lighting retrofits and HVAC improvements in various County buildings and the LEC roof replacement;
- Increase in judicial functions – \$11,200, due primarily to an increase in State Court juror fees;
- Increase in public safety functions – \$557,844, due to primarily capital asset purchases for the Sheriff's Department;
- Decrease in public works functions – \$830,029, due to decreased capital asset purchases specifically in the Public Works and Solid Waste departments;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Increase in culture and recreation functions – \$375,975 due primarily to the purchase of the Airport Road Walking Track from the City of Griffin. Previously, the County leased the walking track from the City.

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

Final budget compared to actual results. Actual General Fund revenues of \$48,856,983 were less than final budgeted revenues of \$49,817,701 by \$960,715. The most significant difference between estimated revenues and actual revenues was a \$2,249,648 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. The fiscal year 2020 collection rate was 93.33%.

Actual General Fund expenditures of \$46,786,788 were less than final budgeted expenditures of \$57,308,407 by \$10,521,619. This was due to increased management oversight in spending due to the uncertainty of the effect of the Coronavirus pandemic. The excess of revenues over expenditures in the amount of \$2,070,195 plus \$3,910,615 in net other financing uses resulted in an overall increase of \$5,980,810 in fund balance. Also, at the end of fiscal year 2020, as in previous years, there was over \$2 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
	2020	2019
Land	\$ 3,132,527	\$ 3,132,527
Construction in progress	2,142,397	847,826
Land improvements	4,453,479	4,305,187
Buildings and improvements	25,062,558	26,001,967
Machinery and equipment	16,453,197	16,678,772
Furniture and fixtures	31,092	36,000
Intangibles	147,883	151,592
Infrastructure (roads)	42,058,295	42,458,294
Total	<u>\$ 93,481,428</u>	<u>\$ 93,612,165</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall, governmental capital assets decreased by a net amount of \$130,737 during 2020. The net decrease in investment in capital assets is primarily due to an increase in depreciation from the prior year. Depreciation expense of capital assets amounted to \$4,782,612.

Total depreciable governmental capital assets added during 2020 amounted to \$3,385,999. Capital asset additions consisted of the following:

- \$20,170 in machinery and equipment for general government purposes;
- \$7,289 in machinery and equipment for judicial purposes;
- \$1,435,864 in vehicles and equipment for public safety purposes;
- \$394,662 in vehicles and equipment for public works purposes;
- \$292,301 in land improvements and \$139,977 in vehicles for culture and recreation purposes;
- \$1,095,736 in donated subdivision roads accepted by the County.

Additional information on the County's capital assets can be found in Note 6 on pages 48 and 49 of this report.

Long-term Debt. At the end of the current fiscal year, the County had \$9,092,559 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 \$152,955,050, which is significantly in excess of the 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 50 – 56 of this report.

Economic Factors and Next Year's Budgets

The following economic factors currently affect Spalding County and were considered in developing the fiscal 2021 budget:

- The unemployment rate for the County is currently 8.9%, which is an increase from a rate of 4.4% one year ago. The unemployment rate for the State of Georgia at June 30, 2020, is 7.6%.
- The County's sales tax revenues have steadily increased each of the last four fiscal years and during fiscal year 2020 Title Ad Valorem Tax revenues increased significantly over the prior year. The County is hopeful this positive revenue trend will continue.
- The 2019 tax digest increased \$125,504,083, or 8.41%, from January 1, 2018 to January 1, 2019. The increase from January 1, 2019 to January 1, 2020 was \$67,164,439, or 4.15%. 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 defined benefit pension plan with a 2% multiplier January 1, 2019 which significantly increased the County's projected annual pension contribution.

MANAGEMENT'S DISCUSSION AND ANALYSIS

All of these factors were taken into consideration when preparing the 2021 budget. During the current fiscal year, unassigned fund balance in the general fund was \$7,777,752. The County has assigned \$3,724,348 of fund balance for spending in the fiscal 2021 budget. This action was taken as an additional measure to mitigate the impact of increased employee salaries and benefits in the 2021 fiscal year budget and the unknown consequences of the Coronavirus pandemic.

The County's fiscal 2021 budget process was substantially complete when the Federal Emergency Management Association declared a national state of emergency due to the Coronavirus. Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the President signed the act into law on March 27, 2020. Title V of the CARES Act created the Coronavirus Relief Fund ("CRF") to provide financial resources to state and local governments. On June 29, 2020 Georgia Governor Brian Kemp acknowledged that up to 45% of Georgia's funding could be transferred to local governments as a grant if the transfer qualified as a necessary expenditure incurred due to the public health emergency. The County's total CRF allocation was \$2,278,066.62. Phase One of the allocation required local governments to apply for their allocation of funds, of which 30% was available for immediate advancement. The County received \$683,419.99 on July 30, 2020 and the remaining 70% of funding on September 8, 2020. The CRF proceeds were used to fund Firefighter and Uniform Road Patrol salaries for March 1, 2020 through August 10, 2020.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, Spalding County, P.O. Box 1087, Griffin, Georgia 30224.

BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2020

	Primary Government		Component Units	
	Governmental	Health	Development	Water
	Activities	Department	Authority	Authority
ASSETS				
Cash and cash equivalents	\$ 36,336,905	\$ 953,960	\$ 1,675,209	\$ 14,384,314
Investments	2,099,505	485,568	1,750,000	-
Property taxes receivable	1,486,481	-	-	-
Accounts receivable	416,550	-	54,583	1,172,073
Due from other governments	1,919,675	55,237	-	-
Due from primary government	-	-	-	3,830
Restricted assets:				
Bond sinking fund	-	-	-	1,017,730
Fair value of interest rate swap	788,429	-	-	-
Capital assets, non-depreciable	5,274,924	-	11,764,420	13,500
Capital assets, depreciable (net of accumulated depreciation)	88,206,504	23,866	299,916	21,646,470
Net OPEB asset	-	97,692	-	-
Total assets	<u>136,528,973</u>	<u>1,616,323</u>	<u>15,544,128</u>	<u>38,237,917</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	3,709,899	288,557	-	-
Other post-employment benefit	371,961	165,783	-	-
Total deferred outflows of resources	<u>4,081,860</u>	<u>454,340</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,157,745	-	249,729	33,606
Accrued liabilities	549,757	-	-	705
Accrued interest payable	220,731	-	-	103,908
Due to primary government	-	-	11,995	-
Due to component unit	3,830	-	-	-
Claims payable due within one year	202,314	-	-	-
Capital leases due within one year	168,205	-	-	-
Capital leases due in more than one year	5,443,938	-	-	-
Bonds payable due within one year	2,870,000	-	12,085	880,000
Bonds payable due in more than one year	6,222,559	-	-	8,673,456
Compensated absences due within one year	855,087	21,804	-	11,955
Compensated absences due in more than one year	570,059	50,876	-	7,970
Certificates of participation due in more than one year	2,500,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due within one year	245,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due in more than one year	2,570,000	-	-	-
Landfill due within one year	137,060	-	-	-
Landfill due in more than one year	327,660	-	-	-
Total other post-employment benefit liability due in more than one year	2,193,549	300,796	-	-
Net pension liability due in more than one year	18,309,390	1,086,887	-	-
Total liabilities	<u>44,546,884</u>	<u>1,460,363</u>	<u>273,809</u>	<u>9,711,600</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	4,430,749	33,832	-	-
Other post-employment benefit	350,714	404,667	-	-
Accumulated increase in fair value of hedging activities	788,429	-	-	-
Total deferred inflows of resources	<u>5,569,892</u>	<u>438,499</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	77,247,114	23,866	12,064,336	12,106,514
Restricted for:				
Grant purposes	19,100	-	-	-
Judicial	536,347	-	-	-
Public safety	4,745,113	-	-	-
Capital projects	14,340,930	-	-	-
Debt service	5,089,181	-	-	-
Housing and development	220,389	-	-	-
Other purposes	-	357,035	-	-
Unrestricted	(11,704,117)	(209,100)	3,205,983	16,419,803
Total net position	<u>\$ 90,494,057</u>	<u>\$ 171,801</u>	<u>\$ 15,270,319</u>	<u>\$ 28,526,317</u>

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<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	\$ 9,864,438	\$ 1,769,137	\$ 34,604	\$ 108,983
Judicial	6,428,585	2,089,267	151,081	36,812
Public safety	42,576,772	6,825,059	131,257	945
Public works	7,132,495	315,980	1,973,257	113,691
Health and welfare	1,115,190	-	610,143	-
Culture and recreation	4,293,452	307,099	33,435	-
Housing and development	1,654,013	549,501	-	84,706
Interest on long-term debt	567,532	-	-	-
Total primary government	<u>\$ 73,632,477</u>	<u>\$ 11,856,043</u>	<u>\$ 2,933,777</u>	<u>\$ 345,137</u>
Component units:				
Health Department	\$ 1,563,639	\$ 654,967	\$ 960,894	\$ -
Development Authority	3,468,049	-	426,110	16,075
Water Authority	7,890,174	9,244,400	-	-
Total component units	<u>\$ 12,921,862</u>	<u>\$ 9,899,367</u>	<u>\$ 1,387,004</u>	<u>\$ 16,075</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	Component Units			
Governmental Activities	Health Department	Development Authority	Water Authority	
\$ (7,951,714)	\$ -	\$ -	\$ -	
(4,151,425)	-	-	-	
(35,619,511)	-	-	-	
(4,729,567)	-	-	-	
(505,047)	-	-	-	
(3,952,918)	-	-	-	
(1,019,806)	-	-	-	
(567,532)	-	-	-	
(58,497,520)	-	-	-	
-	52,222	-	-	
-	-	(3,025,864)	-	
-	-	-	1,354,226	
-	52,222	(3,025,864)	1,354,226	
29,768,448	-	-	-	
350,850	-	-	-	
3,173,566	-	-	-	
12,407,764	-	-	-	
515,881	-	-	-	
2,800,952	-	-	-	
274,682	-	-	-	
712,089	-	-	-	
112,983	7,292	48,604	30,403	
50,117,215	7,292	48,604	30,403	
(8,380,305)	59,514	(2,977,260)	1,384,629	
98,874,362	112,287	18,247,579	27,141,688	
\$ 90,494,057	\$ 171,801	\$ 15,270,319	\$ 28,526,317	

SPALDING COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2020

	General	Fire District	2016 SPLOST Debt Service	2016 SPLOST Capital Projects
ASSETS				
Cash and cash equivalents	\$ 11,423,279	\$ 3,580,418	\$ 3,702,709	\$ 10,051,979
Investments	-	-	-	-
Property taxes receivable, net	1,211,492	274,989	-	-
Accounts receivable	183,120	12,423	-	49
Due from other governments	1,069,812	-	705,399	-
Due from other funds	701,633	54,104	-	-
Total assets	<u>\$ 14,589,336</u>	<u>\$ 3,921,934</u>	<u>\$ 4,408,108</u>	<u>\$ 10,052,028</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 750,846	\$ 97,323	\$ -	\$ 59,990
Accrued liabilities	535,873	10,675	-	-
Due to other funds	64,735	-	-	645,861
Due to component unit	2,040	-	-	-
Total liabilities	<u>1,353,494</u>	<u>107,998</u>	<u>-</u>	<u>705,851</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	1,029,385	208,337	-	-
Unearned revenue - intergovernmental	-	-	206,736	-
Total deferred inflows of resources	<u>1,029,385</u>	<u>208,337</u>	<u>206,736</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Restricted for:				
Grant purposes	-	-	-	-
Judicial	-	-	-	-
Public safety	-	3,583,514	-	-
Capital projects	-	-	-	9,346,177
Debt service	-	-	4,201,372	-
Housing and development	-	-	-	-
Assigned for:				
General government	40,136	-	-	-
Public safety	212,364	22,085	-	-
Public works	15,438	-	-	-
Culture and recreation	23,922	-	-	-
Housing and development	36,000	-	-	-
Capital projects	-	-	-	-
Sales taxes	363,154	-	-	-
Tricentennial Celebration	1,986	-	-	-
Memorial Gifts	11,357	-	-	-
Subsequent year's budget	3,724,348	-	-	-
Unassigned	<u>7,777,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>12,206,457</u>	<u>3,605,599</u>	<u>4,201,372</u>	<u>9,346,177</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,589,336</u>	<u>\$ 3,921,934</u>	<u>\$ 4,408,108</u>	<u>\$ 10,052,028</u>

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.
Deferred inflows of resources related to other post-employment benefits are not available 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
\$ 7,553,996	\$ 36,312,381
1,203,766	1,203,766
-	1,486,481
213,169	408,761
144,464	1,919,675
37,975	793,712
<u>\$ 9,153,370</u>	<u>\$ 42,124,776</u>

\$ 222,089	\$ 1,130,248
3,209	549,757
83,116	793,712
1,790	3,830
<u>310,204</u>	<u>2,477,547</u>
-	1,237,722
-	206,736
-	1,444,458

19,100	19,100
536,347	536,347
1,154,320	4,737,834
5,965,141	15,311,318
887,809	5,089,181
220,389	220,389
-	40,136
-	234,449
-	15,438
-	23,922
-	36,000
137,508	137,508
-	363,154
-	1,986
-	11,357
-	3,724,348
(77,448)	7,700,304
<u>8,843,166</u>	<u>38,202,771</u>
<u>\$ 9,153,370</u>	

93,481,428
656,029
(41,844,809)
3,709,899
(4,430,749)
371,961
(350,714)
<u>698,241</u>
<u>\$ 90,494,057</u>

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Fire District	2016 SPLOST Debt Service	2016 SPLOST Capital Projects
REVENUES				
Property taxes	\$ 25,945,550	\$ 3,811,385	\$ -	\$ -
Alcoholic beverage taxes	350,850	-	-	-
Vehicle taxes	3,173,566	-	-	-
Sales taxes	6,220,630	-	3,414,872	2,314,117
Other taxes	1,155,979	2,872,943	-	-
Licenses and permits	500,423	-	-	-
Intergovernmental	2,198,765	61,312	-	-
Charges for services	5,275,675	-	-	-
Court fees, fines and forfeitures	1,536,255	-	-	-
Interest	36,812	-	12,962	100,729
Contributions and donations	31,035	-	-	-
Rentals	196,828	-	-	-
Other	2,234,615	1,214	-	-
Total revenues	<u>48,856,983</u>	<u>6,746,854</u>	<u>3,427,834</u>	<u>2,414,846</u>
EXPENDITURES				
Current:				
General government	8,290,837	-	-	-
Judicial	4,861,420	-	-	-
Public safety	24,052,416	5,939,031	-	-
Public works	4,595,151	-	-	-
Health and welfare	432,106	-	-	-
Culture and recreation	3,176,433	-	-	-
Housing and development	1,208,358	-	-	-
Capital outlay	-	46,030	-	3,178,513
Debt service:				
Principal	135,299	-	-	-
Interest	34,768	-	302,650	-
Total expenditures	<u>46,786,788</u>	<u>5,985,061</u>	<u>302,650</u>	<u>3,178,513</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,070,195</u>	<u>761,793</u>	<u>3,125,184</u>	<u>(763,667)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	337,444	-	-	3,081
Transfers out	(1,356,414)	(34,700)	(3,081)	-
Capital lease	4,929,585	-	-	-
Total other financing sources (uses)	<u>3,910,615</u>	<u>(34,700)</u>	<u>(3,081)</u>	<u>3,081</u>
Net change in fund balances	5,980,810	727,093	3,122,103	(760,586)
FUND BALANCES, beginning of year	<u>6,225,647</u>	<u>2,878,506</u>	<u>1,079,269</u>	<u>10,106,763</u>
FUND BALANCES, end of year	<u>\$ 12,206,457</u>	<u>\$ 3,605,599</u>	<u>\$ 4,201,372</u>	<u>\$ 9,346,177</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 29,756,935
-	350,850
-	3,173,566
-	11,949,619
274,682	4,303,604
-	500,423
655,127	2,915,204
1,848,775	7,124,450
446,871	1,983,126
161,935	312,438
-	31,035
-	196,828
71,546	2,307,375
<u>3,458,936</u>	<u>64,905,453</u>
71,439	8,362,276
126,093	4,987,513
1,797,803	31,789,250
-	4,595,151
541,690	973,796
-	3,176,433
280,916	1,489,274
913,093	4,137,636
237,500	372,799
229,961	567,379
<u>4,198,495</u>	<u>60,451,507</u>
<u>(739,559)</u>	<u>4,453,946</u>
1,391,324	1,731,849
(337,654)	(1,731,849)
-	4,929,585
<u>1,053,670</u>	<u>4,929,585</u>
314,111	9,383,531
<u>8,529,055</u>	<u>28,819,240</u>
<u>\$ 8,843,166</u>	<u>\$ 38,202,771</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, 2020

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

Net change in fund balances - total governmental funds	\$ 9,383,531
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.	(30,077)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(100,660)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	469,658
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.	(4,280,742)
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.	(13,594,425)
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>(227,590)</u>
Change in net position - governmental activities	<u><u>\$ (8,380,305)</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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 27,353,417	\$ 28,195,198	\$ 25,945,550	\$ (2,249,648)
Alcoholic beverage taxes	345,500	345,500	350,850	5,350
Vehicle taxes	2,137,000	2,137,000	3,173,566	1,036,566
Sales taxes	5,550,000	5,550,000	6,220,630	670,630
Other taxes	1,049,000	1,049,000	1,155,979	106,979
Licenses and permits	493,000	493,000	500,423	7,423
Intergovernmental	1,958,720	1,958,720	2,198,765	240,045
Charges for services	5,736,625	5,736,625	5,275,675	(460,950)
Court fees, fines and forfeitures	1,978,500	1,978,500	1,536,255	(442,245)
Interest	10,400	10,400	36,812	26,412
Contributions and donations	-	300	31,035	30,735
Rentals	193,730	193,730	196,828	3,098
Other	2,005,536	2,169,728	2,234,615	64,887
Total revenues	48,811,428	49,817,701	48,856,983	(960,718)
EXPENDITURES				
Current				
General government:				
Board of commissioners	442,082	442,082	403,229	38,853
Board of elections	305,621	305,621	301,914	3,707
Administration	460,015	460,015	377,856	82,159
Finance	157,694	157,694	146,820	10,874
Information systems	186,505	404,255	403,117	1,138
Human resources	216,315	216,315	198,899	17,416
Tax commissioner	1,061,615	1,082,785	959,684	123,101
Tax assessors	717,687	739,091	581,616	157,475
Construction and maintenance	470,149	557,078	438,638	118,440
Janitorial services	126,178	126,178	115,915	10,263
2016 SPLOST	-	900,000	862,960	37,040
General appropriations	3,228,026	8,157,611	3,500,189	4,657,422
Total general government	7,371,887	13,548,725	8,290,837	5,257,888
Judicial:				
Superior court	241,000	241,000	141,346	99,654
Griffin judicial circuit	346,190	346,190	327,389	18,801
Clerk of court	1,017,370	1,017,370	988,570	28,800
District attorney	534,007	534,007	532,967	1,040
State court	759,732	770,932	767,223	3,709
Accountability court	188,766	188,766	145,199	43,567
Solicitor	457,928	457,928	375,289	82,639
Magistrate court	919,739	919,739	859,061	60,678
Probate court	276,344	276,344	270,283	6,061
Public defender	67,561	67,561	49,488	18,073
Public defender circuit	404,605	404,605	404,605	-
Total judicial	5,213,242	5,224,442	4,861,420	363,022

(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, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued)				
Public safety:				
Sheriff	\$ 974,508	\$ 984,968	\$ 940,667	\$ 44,301
Victim services	90,383	90,383	75,791	14,592
Warrant division	1,260,860	1,260,860	1,118,618	142,242
Criminal investigation division	1,505,195	1,566,742	1,350,986	215,756
Uniform patrol division	3,768,537	3,902,890	3,206,738	696,152
Jail	9,192,826	9,458,564	8,121,199	1,337,365
Narcotics task force	1,161,973	1,161,973	1,027,545	134,428
Correctional institution	7,404,316	7,404,316	6,656,153	748,163
Juvenile probation	640,654	661,543	626,660	34,883
Coroner	65,239	75,189	73,633	1,556
800 MHz communication	445,154	445,154	435,943	9,211
Animal control	470,074	505,761	369,774	135,987
Homeland Security	40,594	59,814	48,709	11,105
Total public safety	27,020,313	27,578,157	24,052,416	3,525,741
Public works:				
Public works	4,684,908	3,657,623	3,115,138	542,485
Solid waste collection	970,272	1,167,528	1,078,808	88,720
Garage	436,469	436,469	401,205	35,264
Total public works	6,091,649	5,261,620	4,595,151	666,469
Health and welfare:				
Health	451,079	451,079	402,960	48,119
Welfare	33,000	38,000	29,146	8,854
Total health and welfare	484,079	489,079	432,106	56,973
Culture and recreation:				
Recreation	1,138,321	1,140,621	880,414	260,207
Senior citizens' bus	33,342	33,342	14,017	19,325
Parks	1,918,565	2,292,240	2,081,022	211,218
Libraries	200,980	200,980	200,980	-
Total culture and recreation	3,291,208	3,667,183	3,176,433	490,750
Housing and development:				
Cooperative extension service	194,482	194,482	179,397	15,085
Community development	734,919	734,919	610,275	124,644
Code enforcement	139,733	139,733	118,686	21,047
Development Authority	300,000	300,000	300,000	-
Total housing and development	1,369,134	1,369,134	1,208,358	160,776

(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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Debt service:				
Principal	\$ 135,299	\$ 135,299	\$ 135,299	\$ -
Interest	34,768	34,768	34,768	-
Total debt service	170,067	170,067	170,067	-
 Total expenditures	 51,011,579	 57,308,407	 46,786,788	 10,521,619
 Excess (deficiency) of revenues over (under) expenditures	 (2,200,151)	 (7,490,706)	 2,070,195	 9,560,901
OTHER FINANCING SOURCES (USES)				
Transfers in	120,000	933,091	337,444	(595,647)
Transfers out	(1,427,305)	(1,427,305)	(1,356,414)	70,891
Capital leases	-	4,929,585	4,929,585	-
Total other financing sources, net	(1,307,305)	4,435,371	3,910,615	(524,756)
 Net change in fund balances	 (3,507,456)	 (3,055,335)	 5,980,810	 9,036,145
FUND BALANCES, beginning of year	6,225,647	6,225,647	6,225,647	-
FUND BALANCES, end of year	\$ 2,718,191	\$ 3,170,312	\$ 12,206,457	\$ 9,036,145

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, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,985,178	\$ 3,985,178	\$ 3,811,385	\$ (173,793)
Other taxes	2,832,500	2,832,500	2,872,943	40,443
Intergovernmental	56,100	56,100	61,312	5,212
Other	-	-	1,214	1,214
Total revenues	<u>6,873,778</u>	<u>6,873,778</u>	<u>6,746,854</u>	<u>(126,924)</u>
EXPENDITURES				
Current:				
Public safety	6,943,750	6,943,750	5,939,031	1,004,719
Capital outlay	68,203	68,203	46,030	22,173
Total expenditures	<u>7,011,953</u>	<u>7,011,953</u>	<u>5,985,061</u>	<u>1,026,892</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,175)</u>	<u>(138,175)</u>	<u>761,793</u>	<u>899,968</u>
OTHER FINANCING USES				
Transfers out	(34,700)	(34,700)	(34,700)	-
Total other financing uses	<u>(34,700)</u>	<u>(34,700)</u>	<u>(34,700)</u>	<u>-</u>
Net change in fund balances	(172,875)	(172,875)	727,093	899,968
FUND BALANCES, beginning of year	<u>2,878,506</u>	<u>2,878,506</u>	<u>2,878,506</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,705,631</u>	<u>\$ 2,705,631</u>	<u>\$ 3,605,599</u>	<u>\$ 899,968</u>

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds Workers' Compensation</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 24,524
Investments	895,739
Accounts receivable	<u>7,789</u>
Total current assets	<u>928,052</u>
Total assets	<u>928,052</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	27,497
Claims payable	<u>202,314</u>
Total current liabilities	<u>229,811</u>
Total liabilities	<u>229,811</u>
NET POSITION	
Unrestricted	<u>698,241</u>
Total net position	<u>\$ 698,241</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, 2020

	Governmental Activities - Internal Service Funds Workers' Compensation
OPERATING EXPENSES	
Administration and other costs	\$ 104,651
Total operating expenses	<u>104,651</u>
Operating loss	<u>(104,651)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	60,976
Other expenses	(183,915)
Total non-operating expenses, net	<u>(122,939)</u>
Change in net position	(227,590)
NET POSITION, beginning of year	<u>925,831</u>
NET POSITION, end of year	<u><u>\$ 698,241</u></u>

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, 2020

	Governmental Activities - Internal Service Funds Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments for insurance claims	\$ (55,073)
Payments to suppliers for services provided	(104,651)
Net cash used in operating activities	(159,724)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale of investments	282,663
Interest received	(122,939)
Net cash provided by investing activities	159,724
Net change in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	24,524
Cash and cash equivalents, end of year	\$ 24,524
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (104,651)
Adjustments to reconcile net operating loss to net cash used in operating activities:	
Decrease in accounts receivable	3,151
Decrease in claims payable	(58,224)
Net cash used in operating activities	\$ (159,724)

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES FIDUCIARY FUNDS JUNE 30, 2020

		Agency Funds
	ASSETS	
Cash		\$ 1,678,129
Taxes receivable		2,713,415
Accounts receivable		<u>25,852</u>
Total assets		<u><u>\$ 4,417,396</u></u>
	LIABILITIES	
Due to others		<u><u>\$ 4,417,396</u></u>

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, 2020

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 criteria, 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **2016 Special Purpose Local Option Sales Tax ("SPLOST") Debt Service Fund** accounts for the accumulation of resources for the payment of debt principal and interest for the 2016 General Obligation Sales Tax Bonds.

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

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 and 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. 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 and OPEB expense over the expected remaining service lives of the plan members. Contributions made subsequent to the measurement date are deferred and recognized as OPEB expense in future years.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has four 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. Other items relate to the County's Retirement Plan and OPEB Plan and the recording of changes in its net pension liability and total OPEB 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. 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. Changes in actuarial assumptions, which adjust the net pension liability and the total OPEB liability, are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of 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, grants, and due to the period of unavailability, 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balance (Continued)

- **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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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)	(292,559)
Certificates of participation	(2,500,000)
Less: Fair value of interest rate swap	788,429
Capital leases	(5,612,143)
Due to Griffin/Spalding County Airport Authority	(2,815,000)
Landfill post-closure costs	(464,720)
Net pension liability	(18,309,390)
Total OPEB liability	(2,193,549)
Compensated absences	(1,425,146)
Accrued interest	(220,731)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (41,844,809)</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	\$ 1,444,458
Deferred fair value of interest rate swap	(788,429)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 656,029</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	\$ 4,752,535
Depreciation expense	(4,782,612)
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (30,077)</u>

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	\$ (4,929,585)
Intergovernmental payable reduction	237,500
Premium on bond issuance	189,644
Principal repayments:	
Capital leases	135,299
Landfill post-closure costs	86,400
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>	<u>\$ (4,280,742)</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 (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	\$ (155,381)
Accrued interest	(153)
Total OPEB liability	(864,683)
Net pension liability	<u>(12,574,208)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>\$ (13,594,425)</u></u>

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, 2020, expenditures exceeded budget, as follows:

<u>Fund or Department</u>	<u>Excess</u>
CDBG	
Housing and Development	\$ 84,706

The over-expenditure in the CDBG was funded by additional revenues.

C. Deficit Fund Balance

The Senior Nutrition Fund and the 2008 SPLOST Debt Service Fund had deficit fund balances at June 30, 2020, of \$77,441 and \$7. The fund deficit will be reduced through intergovernmental revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2020, are summarized as follows:

Balances per statement of net position:

Cash and cash equivalents - Primary Government	\$ 36,336,905
Cash and cash equivalents - Health Department	953,960
Cash and cash equivalents - Development Authority	1,675,209
Cash and cash equivalents - Water Authority	14,384,314
Investments - Primary Government	2,099,505
Investments - Development Authority	1,750,000
Investments - Health Department	485,568
Restricted assets:	
Water Authority - Bond sinking fund	1,017,730
Cash - Agency funds	1,678,129
	<u>\$ 60,381,320</u>

Balances by type:

Cash deposited with financial institutions	\$ 31,969,794
Money market	26,312,021
Mutual bond funds	895,739
Guaranteed investment contract	1,203,766
	<u>\$ 60,381,320</u>

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, 2020, the County had the following investments:

Investment	Maturities	Fair Value
Money market	N/A	\$ 26,312,021
Mutual bond fund	N/A	895,739
Guaranteed investment contract	June 1, 2028	1,203,766
		<u>\$ 28,411,526</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2020:

Investment	Level 1	Level 2	Level 3	Fair Value
Mutual bond fund	\$ 895,739	\$ -	\$ -	\$ 895,739
Total investments measured at fair value	<u>\$ 895,739</u>	<u>\$ -</u>	<u>\$ -</u>	895,739
Investments not subject to level disclosure:				
Money market				26,312,021
Guaranteed investment contract				<u>1,203,766</u>
Total investments				<u>\$ 28,411,526</u>

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.

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, 2020, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

NOTE 5. RECEIVABLES

Receivables at June 30, 2020, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Fire District	2016 SPLOST Capital Projects	2016 SPLOST Debt Service
Receivables:				
Taxes	\$ 2,197,328	\$ 274,989	\$ -	\$ -
Accounts	183,120	12,423	49	-
Intergovernmental	1,069,812	-	-	705,399
Gross receivables	3,450,260	287,412	49	705,399
Less: allowance for uncollectibles	734,427	-	-	-
Net total receivables	<u>\$ 2,715,833</u>	<u>\$ 287,412</u>	<u>\$ 49</u>	<u>\$ 705,399</u>
	Nonmajor Governmental	Total Governmental	Internal Service Fund	
Receivables:				
Taxes	\$ -	\$ 2,472,317	\$ -	
Accounts	213,169	408,761	7,789	
Intergovernmental	144,464	1,919,675	-	
Gross receivables	357,633	4,800,753	7,789	
Less: allowance for uncollectibles	-	734,427	-	
Net total receivables	<u>\$ 357,633</u>	<u>\$ 4,066,326</u>	<u>\$ 7,789</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

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, 2019, upon which the fiscal 2020 levy was based, was the gross digest amount of \$1,840,079,581 (40% of the estimated market value of \$4,600,198,952).

The tax billing cycle for fiscal year 2020 is as follows:

Levy date	October 7, 2019
Tax bills mailed	October 20, 2019
Payment due date	December 20, 2019
Delinquency date	January 21, 2020
Lien date	May 1, 2020

The distribution of the County's levy (tax rate per \$1,000 assessed value) as of June 30, 2020, is as follows:

General government	16.535 mills
Fire district	3.610 mills
School system	17.077 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	847,826	1,366,536	(71,965)	-	2,142,397
Total	<u>3,980,353</u>	<u>1,366,536</u>	<u>(71,965)</u>	<u>-</u>	<u>5,274,924</u>
Capital assets, being depreciated:					
Land improvements	6,908,617	292,301	-	-	7,200,918
Building improvements	47,983,927	-	-	-	47,983,927
Machinery and equipment	37,813,901	1,997,962	(398,477)	-	39,413,386
Furniture and fixtures	105,326	-	-	-	105,326
Intangibles	621,715	-	-	-	621,715
Infrastructure	91,685,110	1,095,736	-	-	92,780,846
Total	<u>185,118,596</u>	<u>3,385,999</u>	<u>(398,477)</u>	<u>-</u>	<u>188,106,118</u>
Less accumulated depreciation for:					
Land improvements	(2,603,430)	(144,009)	-	-	(2,747,439)
Building improvements	(21,981,960)	(939,409)	-	-	(22,921,369)
Machinery and equipment	(21,135,129)	(2,194,842)	369,782	-	(22,960,189)
Furniture and fixtures	(69,326)	(4,908)	-	-	(74,234)
Intangibles	(470,123)	(3,709)	-	-	(473,832)
Infrastructure	(49,226,816)	(1,495,735)	-	-	(50,722,551)
Total	<u>(95,486,784)</u>	<u>(4,782,612)</u>	<u>369,782</u>	<u>-</u>	<u>(99,899,614)</u>
Total capital assets, being depreciated, net	<u>89,631,812</u>	<u>(1,396,613)</u>	<u>(28,695)</u>	<u>-</u>	<u>88,206,504</u>
Governmental activities capital assets, net	<u>\$ 93,612,165</u>	<u>\$ (30,077)</u>	<u>\$ (100,660)</u>	<u>\$ -</u>	<u>\$ 93,481,428</u>

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

Governmental activities:	
General government	\$ 343,118
Judicial	79,949
Public safety	2,153,674
Public works	1,687,044
Culture and recreation	490,963
Housing and development	17,921
Health and welfare	9,943
Total depreciation expense - governmental activities	<u>\$ 4,782,612</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	913,072	229,129	-	-	1,142,201
Intangibles	145,279	-	-	-	145,279
Total	<u>36,157,098</u>	<u>229,129</u>	<u>-</u>	<u>-</u>	<u>36,386,227</u>
Less accumulated depreciation for:					
Water delivery system	(12,816,311)	(669,339)	-	-	(13,485,650)
Sewer system	(339,325)	(41,419)	-	-	(380,744)
Buildings	(42,120)	(198)	-	-	(42,318)
Machinery and equipment	(768,320)	(31,962)	-	-	(800,282)
Intangibles	(27,849)	(2,914)	-	-	(30,763)
Total	<u>(13,993,925)</u>	<u>(745,832)</u>	<u>-</u>	<u>-</u>	<u>(14,739,757)</u>
Total capital assets, being depreciated, net	<u>22,163,173</u>	<u>(516,703)</u>	<u>-</u>	<u>-</u>	<u>21,646,470</u>
Total capital assets, net	<u>\$ 22,176,673</u>	<u>\$ (516,703)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,659,970</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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000	\$ 2,870,000
Bond premium	482,203	-	(189,644)	292,559	-
Net bonds payable	9,282,203	-	(189,644)	9,092,559	2,870,000
Certificates of participation	2,500,000	-	-	2,500,000	-
Intergovernmental payable	3,052,500	-	(237,500)	2,815,000	245,000
Capital leases	817,857	4,929,585	(135,299)	5,612,143	168,205
Claims payable	281,545	515,280	(594,511)	202,314	202,314
Compensated absences	1,269,765	1,063,780	(908,399)	1,425,146	855,087
Landfill post-closure costs	551,120	-	(86,400)	464,720	137,060
Net pension liability	6,073,075	20,658,876	(8,422,561)	18,309,390	-
Total OPEB liability	1,695,886	533,039	(35,376)	2,193,549	-
Governmental activities long-term liabilities	<u>\$ 25,523,951</u>	<u>\$ 27,700,560</u>	<u>\$ (10,609,690)</u>	<u>\$ 42,614,821</u>	<u>\$ 4,477,666</u>

For governmental activities, compensated absences, landfill post-closure costs, net pension liability and total OPEB liability 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. These leases are being serviced by the General Fund with annual interest rates varying from 2.18% to 4.45%.

The cost of assets under capital leases as of June 30, 2020:

	Governmental Activities
Equipment	\$ 5,935,867
Less accumulated depreciation	<u>(215,025)</u>
Carrying value	<u>\$ 5,720,842</u>

Current year depreciation expense of assets under capital lease totaled \$100,628.

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,	
2021	\$ 328,585
2022	633,441
2023	425,563
2024	435,786
2025	446,318
2026 – 2030	1,940,285
2031 – 2035	2,255,184
2036	247,205
Total minimum lease payments	<u>6,712,367</u>
Less amount representing interest	1,100,224
Present value of future minimum lease payments	<u><u>\$ 5,612,143</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, 2020, the unamortized premium was \$292,559.

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

Fiscal year ending June 30,	Principal	Interest
2021	\$ 2,870,000	\$ 259,250
2022	2,930,000	157,600
2023	3,000,000	49,500
Total	<u><u>\$ 8,800,000</u></u>	<u><u>\$ 466,350</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, 2020, the floating rate being paid by the County is 0.44% and the market value of this agreement is \$788,429, an increase of \$151,321 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, 2020, 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– 2028	\$ 2,500,000	\$ 831,250

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, 2020, the County has a remaining 4.8 years of monitoring. Engineering studies estimate post-closure costs of approximately \$464,720 over the 4.8 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, 2020. 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
2021	\$ 245,000	\$ 96,775
2022	250,000	89,425
2023	257,500	81,925
2024	267,500	74,200
2025	275,000	66,175
2026 – 2030	1,520,000	182,563
Total	<u>\$ 2,815,000</u>	<u>\$ 591,063</u>

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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2008	\$ 695,000	\$ -	\$ (695,000)	\$ -	\$ -
Deferred amounts:					
Discount	(321)	-	321	-	-
Bonds payable, Series 2015	9,225,000	-	(115,000)	9,110,000	880,000
Deferred amounts:					
Premium	532,511	-	(89,055)	443,456	-
Total bonds payable	10,452,190	-	(898,734)	9,553,456	880,000
Compensated absences	15,028	(4,637)	9,534	19,925	11,955
Water Authority long-term liabilities	<u>\$ 10,467,218</u>	<u>\$ (4,637)</u>	<u>\$ (889,200)</u>	<u>\$ 9,573,381</u>	<u>\$ 891,955</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, 2020, the unamortized premium was \$443,456.

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. As of June 30, 2020 the advanced refunding losses were fully amortized. Amortization of \$49,823 has been included in interest expense for the year ended June 30, 2020. As of June 30, 2020, 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, 2020, 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 2015	2.00 – 4.00%	13 years	2028	9,580,000	\$ 9,110,000
Plus unamortized premium					443,456
					<u>\$ 9,553,456</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>
2021	\$ 880,000	\$ 298,525
2022	905,000	271,750
2023	940,000	244,075
2024	975,000	214,131
2025	1,005,000	181,956
2026 – 2029	4,405,000	350,413
Total	<u>\$ 9,110,000</u>	<u>\$ 1,560,850</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 65,661
General Fund	Capital Projects 2016 SPLOST Fund	635,972
Fire District Fund	Capital Projects 2016 SPLOST Fund	9,889
Nonmajor governmental funds	Nonmajor governmental funds	17,455
Nonmajor governmental funds	General Fund	20,520
Fire District Fund	General Fund	44,215
		<u>\$ 793,712</u>

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	\$ 337,444
Nonmajor governmental funds	Nonmajor governmental funds	210
Nonmajor governmental funds	Fire District Fund	34,700
2016 SPLOST Capital Projects Fund	2016 SPLOST Debt Service Fund	3,081
Nonmajor governmental funds	General Fund	1,356,414
		<u>\$ 1,731,849</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, 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 2016 SPLOST Debt Service Fund 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

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, 2019, pension plan membership consisted of the following:

Retirees, Beneficiaries, and Disables receiving benefits	162
Terminated Plan participants entitled to but not receiving benefits	186
Active employees participating in the Plan	<u>459</u>
Total number of Plan participants	<u>807</u>
Part-time active employees not participating in the Plan	56

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2020, the County's contribution rate was 12.82% of annual payroll. County contributions to the Plan were \$2,471,509 for the year ended June 30, 2020.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% – 5.50%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub – 2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2019.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Range
Fixed Income	30.00 %	25% - 35%
Equities	70.00	65% - 75%
Large Cap	30.00	25% - 35%
Mid Cap	5.00	2.5% - 10%
Small Cap	5.00	2.5% - 10%
REIT	5.00	2.5% - 10%
International	15.00	10% - 20%
Multi Cap	5.00	2.5% - 10%
Global Allocation	5.00	2.5% - 10%
Total	170.00 %	

* 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)

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, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 31,727,459	\$ 25,654,384	\$ 6,073,075
<i>Changes for the year:</i>			
Service cost	1,225,028	-	1,225,028
Interest	2,161,510	-	2,161,510
Differences between expected and actual experience	1,242,404	-	1,242,404
Plan Change	13,889,109	-	13,889,109
Contributions — employer	-	2,471,509	(2,471,509)
Contributions — employee	-	602,166	(602,166)
Net investment income	-	5,348,886	(5,348,886)
Assumption change	1,849,348	-	1,849,348
Benefit payments, including refunds of employee contributions	(1,697,486)	(1,697,486)	-
Administrative expense	-	(97,022)	97,022
Other changes	-	(194,455)	194,455
<i>Net changes</i>	18,669,913	6,433,598	12,236,315
Balances at June 30, 2020	\$ 50,397,372	\$ 32,087,982	\$ 18,309,390

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	\$ 25,266,536	\$ 18,309,390	\$ 12,535,810

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2019, and the current sharing pattern of costs between employer and employee. As of June 30, 2020, 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, 2020, the County recognized pension expense of \$15,045,717. At June 30, 2020, 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	\$ -	\$ 1,650,827
Differences between expected and actual experience	1,007,988	2,779,922
Other changes in assumptions	2,701,911	-
Total	<u>\$ 3,709,899</u>	<u>\$ 4,430,749</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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

2021	\$ (350,564)
2022	(437,121)
2023	1,228
2024	(109,403)
2025	<u>175,010</u>
Total	<u>\$ (720,850)</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 ended June 30, 2020, the County's contribution to the Plan was \$0. For the fiscal year ended June 30, 2020, the employee's contribution to the Plan was \$786,906. 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, 2018:

Active members	424
Retired members	<u>13</u>
	<u>437</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, 2020, the County contributed \$66,154 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, 2019, and was determined by an actuarial valuation as of July 1, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.50%
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, 2018 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 3.50%. 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 3.50% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2019.

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, 2020, were as follows:

	Total OPEB Liability
Beginning balance	<u>\$ 1,695,886</u>
Changes for the year:	
Service cost	87,004
Interest	66,946
Differences between expected and actual experience	-
Assumption changes	379,089
Benefit payments	<u>(35,376)</u>
Net change	<u>497,663</u>
Ending balance	<u><u>\$ 2,193,549</u></u>

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 (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	<u>\$ 2,397,011</u>	<u>\$ 2,193,549</u>	<u>\$ 2,012,346</u>

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:

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB liability	\$ 1,625,694	\$ 2,193,549	\$ 2,846,154

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, 2020, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the County recognized OPEB expense of \$153,924. At June 30, 2020, the County reported deferred outflows and Inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,475	\$ -
Other changes in assumptions	139,332	350,714
Contributions subsequent to measurement date	66,154	-
Total	\$ 371,961	\$ 350,714

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows 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, 2021. Amounts reported as deferred outflows and Inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2021	\$ 26
2022	26
2023	26
2024	26
2025	26
2026 – 2030	130
2031	<u>(45,167)</u>
Total	<u>\$ (44,907)</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 \$202,314 as of June 30, 2020, 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 2020 and 2019 were as follows:

<u>Workers' Compensation Trust Fund</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Unpaid claims, beginning of fiscal year	\$ 281,545	\$ 611,594
Expenses incurred	-	-
Payments disbursed	<u>(79,231)</u>	<u>(330,049)</u>
Unpaid claims, end of fiscal year	<u>\$ 202,314</u>	<u>\$ 281,545</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	\$ 22,084
General Fund	<u>608,456</u>
	<u>\$ 630,540</u>

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2020, 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 2020 was \$112,115.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURES (CONTINUED)

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, 2020, the County paid \$43,222 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 2020 was \$43,750. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the fiscal year ended June 30, 2020, 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, 2020, the County collected \$274,682 of hotel/motel taxes of which \$103,006 went to support the general fund and \$171,676 went to the tourism fund. Collections in the hotel/motel tax fund were used for the promotion of tourism within the County.

NOTES TO FINANCIAL STATEMENTS

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, 2020, the County abated property taxes totaling \$311,764, and \$366,165 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.

REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 87,004	\$ 90,245	\$ 87,126
Interest on total pension liability	66,946	67,315	54,070
Changes of benefit terms			
Differences between expected and actual experience	-	(152,798)	(47,483)
Changes of assumptions	379,089	(57,614)	(117,366)
Benefit payments	(35,376)	(41,324)	(37,903)
Net change in total OPEB liability	497,663	(94,176)	(61,556)
Total OPEB liability - beginning	1,695,886	1,790,062	1,851,618
Total OPEB liability - ending (a)	\$ 2,193,549	\$ 1,695,886	\$ 1,790,062
Covered-employee payroll	\$ 24,045,704	\$ 23,470,228	\$ 22,185,006
County's total OPEB liability as a percentage of covered-employee payroll	9.12%	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 FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 1,225,028	\$ 404,652	\$ 498,620	\$ 450,476	\$ 447,289	\$ 460,213
Interest on total pension liability	2,161,510	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	1,242,404	(3,423,574)	(974,091)	(602,771)	(714,219)	-
Changes of assumptions	1,849,348	1,190,106	73,984	878,346	1,130,608	-
Benefit payments, including refunds of employee contributions	(1,697,486)	71,946	(1,544,193)	(1,471,285)	(1,415,512)	(1,342,527)
Other	13,889,109	-	-	-	-	-
Net change in total pension liability	18,669,913	509,071	243,987	1,416,440	1,548,849	1,133,367
Total pension liability - beginning	31,727,459	31,218,388	30,974,401	29,557,961	28,009,112	26,875,745
Total pension liability - ending (a)	50,397,372	31,727,459	31,218,388	30,974,401	29,557,961	28,009,112
Plan fiduciary net position						
Contributions - employer	2,471,509	1,750,000	1,275,118	1,238,475	1,199,522	1,334,262
Contributions - employee	602,166	-	-	-	-	-
Net investment income	5,348,886	(1,105,920)	3,470,460	1,542,031	146,812	1,430,252
Benefit payments, including refunds of employee contributions	(1,697,486)	71,946	(1,544,193)	(1,471,285)	(1,364,349)	(1,294,002)
Administrative expenses	(97,022)	(70,370)	(68,878)	(72,390)	(69,586)	(67,301)
Other	(194,455)	(197,987)	(189,624)	(171,486)	(145,754)	(147,776)
Net change in fiduciary net position	6,433,598	447,669	2,942,883	1,065,345	(233,355)	1,255,435
Plan fiduciary net position - beginning	25,654,384	25,206,715	22,263,832	21,198,487	21,431,842	20,176,407
Plan fiduciary net position - ending (b)	32,087,982	25,654,384	25,206,715	22,263,832	21,198,487	21,431,842
County's net pension liability - ending (a) - (b)	\$ 18,309,390	\$ 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	63.67%	80.86%	80.74%	71.88%	71.72%	76.52%
Covered payroll	\$ 18,746,642	\$ 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	97.67%	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 FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,310,952	\$ 903,084	\$ 1,275,118	\$ 1,197,114	\$ 1,151,588	\$ 1,216,126
Contributions in relation to the actuarially determined contribution	2,471,509	1,750,000	1,275,118	1,238,475	1,199,522	1,334,262
Contribution deficiency (excess)	<u>\$ (160,557)</u>	<u>\$ (846,916)</u>	<u>\$ -</u>	<u>\$ (41,361)</u>	<u>\$ (47,934)</u>	<u>\$ (118,136)</u>
Covered payroll	\$ 19,276,448	\$ 18,506,566	\$ 14,615,696	\$ 14,729,739	\$ 14,575,937	\$ 14,557,672
Contributions as a percentage of covered payroll	12.82%	9.46%	8.72%	8.41%	8.23%	9.17%

Notes to the Schedule:

Valuation Date	January 1, 2019
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	3.50% – 5.50% (including 3.00% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

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.
CDBG Fund	To account for grant Community Development Block Grant revenues and expenditures for sewerage infrastructure improvements for low income housing.

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.
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.
Capital Projects 2008 SPLOST	To account 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.

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
ASSETS					
Cash and cash equivalents	\$ 12,237	\$ 625,021	\$ 311,321	\$ 144,179	\$ -
Investments	-	-	-	-	-
Accounts receivable	-	208,158	-	-	4,982
Due from other governments	31,820	-	-	-	110,854
Due from other funds	-	14,867	-	-	17,456
Total assets	<u>\$ 44,057</u>	<u>\$ 848,046</u>	<u>\$ 311,321</u>	<u>\$ 144,179</u>	<u>\$ 133,292</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 7,502	\$ 2,142	\$ -	\$ 2,009	\$ 210,429
Accrued liabilities	-	2,905	-	-	304
Due to component unit	-	-	-	-	-
Due to other funds	17,455	-	-	-	-
Total liabilities	<u>24,957</u>	<u>5,047</u>	<u>-</u>	<u>2,009</u>	<u>210,733</u>
FUND BALANCES, (DEFICITS)					
Restricted for:					
Grant purposes	19,100	-	-	-	-
Judicial	-	-	-	142,170	-
Public safety	-	842,999	311,321	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Housing and development	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Housing and development	-	-	-	-	-
Unassigned	-	-	-	-	(77,441)
Total fund balances (deficits)	<u>19,100</u>	<u>842,999</u>	<u>311,321</u>	<u>142,170</u>	<u>(77,441)</u>
Total liabilities and fund balances (deficits)	<u>\$ 44,057</u>	<u>\$ 848,046</u>	<u>\$ 311,321</u>	<u>\$ 144,179</u>	<u>\$ 133,292</u>

(Continued)

Special Revenue				Debt Service		
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CDBG	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2015 Airport Debt Service
\$ 220,389	\$ 395,981	\$ 4,482	\$ -	\$ 887,809	\$ -	\$ -
-	-	-	-	1,203,766	-	-
-	-	-	-	-	-	-
-	-	-	1,790	-	-	-
-	5,652	-	-	-	-	-
<u>\$ 220,389</u>	<u>\$ 401,633</u>	<u>\$ 4,482</u>	<u>\$ 1,790</u>	<u>\$ 2,091,575</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -
-	-	-	-	-	-	-
-	-	-	1,790	-	-	-
-	11,938	-	-	-	-	-
<u>-</u>	<u>11,938</u>	<u>-</u>	<u>1,790</u>	<u>-</u>	<u>7</u>	<u>-</u>
-	-	-	-	-	-	-
-	389,695	4,482	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,203,766	-	-
-	-	-	-	887,809	-	-
220,389	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(7)	-
<u>220,389</u>	<u>389,695</u>	<u>4,482</u>	<u>-</u>	<u>2,091,575</u>	<u>(7)</u>	<u>-</u>
<u>\$ 220,389</u>	<u>\$ 401,633</u>	<u>\$ 4,482</u>	<u>\$ 1,790</u>	<u>\$ 2,091,575</u>	<u>\$ -</u>	<u>\$ -</u>

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2020

	Capital Projects				
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	Capital Projects 2008 SPLOST	Total
ASSETS					
Cash and cash equivalents	\$ 2,531,595	\$ 137,508	\$ -	\$ 2,283,474	\$ 7,553,996
Investments	-	-	-	-	1,203,766
Accounts receivable	-	-	-	29	213,169
Due from other governments	-	-	-	-	144,464
Due from other funds	-	-	-	-	37,975
Total assets	<u>\$ 2,531,595</u>	<u>\$ 137,508</u>	<u>\$ -</u>	<u>\$ 2,283,503</u>	<u>\$ 9,153,370</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 222,089
Accrued liabilities	-	-	-	-	3,209
Due to component unit	-	-	-	-	1,790
Due to other funds	51,848	-	-	1,875	83,116
Total liabilities	<u>51,848</u>	<u>-</u>	<u>-</u>	<u>1,875</u>	<u>310,204</u>
FUND BALANCES, (DEFICITS)					
Restricted for:					
Grant purposes	-	-	-	-	19,100
Judicial	-	-	-	-	536,347
Public safety	-	-	-	-	1,154,320
Capital projects	2,479,747	-	-	2,281,628	5,965,141
Debt service	-	-	-	-	887,809
Housing and development	-	-	-	-	220,389
Assigned for:					
Capital projects	-	137,508	-	-	137,508
Unassigned	-	-	-	-	(77,448)
Total fund balances (deficits)	<u>2,479,747</u>	<u>137,508</u>	<u>-</u>	<u>2,281,628</u>	<u>8,843,166</u>
balances					
(deficits)	<u>\$ 2,531,595</u>	<u>\$ 137,508</u>	<u>\$ -</u>	<u>\$ 2,283,503</u>	<u>\$ 9,153,370</u>

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	119,404	-	-	-	451,017
Charges for services	-	1,323,247	-	-	-
Court fees, fines and forfeitures	-	-	329,705	55,203	-
Interest	-	-	403	220	-
Other	-	516	-	141	70,826
Total revenues	<u>119,404</u>	<u>1,323,763</u>	<u>330,108</u>	<u>55,564</u>	<u>521,843</u>
EXPENDITURES					
Current:					
General government	34,603	-	-	-	-
Judicial	24,734	-	-	34,057	-
Public safety	-	1,525,493	272,310	-	-
Health and welfare	52,308	-	-	-	489,382
Housing and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>111,645</u>	<u>1,525,493</u>	<u>272,310</u>	<u>34,057</u>	<u>489,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,759</u>	<u>(201,730)</u>	<u>57,798</u>	<u>21,507</u>	<u>32,461</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,759	(201,730)	57,798	21,507	32,461
FUND BALANCES (DEFICIT), beginning of year	<u>11,341</u>	<u>1,044,729</u>	<u>253,523</u>	<u>120,663</u>	<u>(109,902)</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 19,100</u>	<u>\$ 842,999</u>	<u>\$ 311,321</u>	<u>\$ 142,170</u>	<u>\$ (77,441)</u>

(Continued)

Special Revenue				Debt Service		
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CDBG	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2015 Airport Debt Service
\$ 274,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	84,706	-	-	-
-	-	-	-	-	-	-
-	61,963	-	-	-	-	-
-	322	-	-	112,981	-	-
-	63	-	-	-	-	-
274,682	62,348	-	84,706	112,981	-	-
-	-	-	-	-	-	31,026
-	67,302	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
196,210	-	-	84,706	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	237,500
-	-	-	-	128,748	-	100,338
196,210	67,302	-	84,706	128,748	-	368,864
78,472	(4,954)	-	-	(15,767)	-	(368,864)
-	-	-	-	1,002,250	-	368,864
(103,006)	-	-	-	(234,438)	(210)	-
(103,006)	-	-	-	767,812	(210)	368,864
(24,534)	(4,954)	-	-	752,045	(210)	-
244,923	394,649	4,482	-	1,339,530	203	-
\$ 220,389	\$ 389,695	\$ 4,482	\$ -	\$ 2,091,575	\$ (7)	\$ -

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Capital Projects				
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	Capital Projects 2005 SPLOST	Total
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ 274,682
Intergovernmental	-	-	-	-	655,127
Charges for services	525,528	-	-	-	1,848,775
Court fees, fines and forfeitures	-	-	-	-	446,871
Interest	24,192	-	-	23,817	161,935
Other	-	-	-	-	71,546
Total revenues	<u>549,720</u>	<u>-</u>	<u>-</u>	<u>23,817</u>	<u>3,458,936</u>
EXPENDITURES					
Current:					
General government	5,808	-	2	-	71,439
Judicial	-	-	-	-	126,093
Public safety	-	-	-	-	1,797,803
Health and welfare	-	-	-	-	541,690
Housing and development	-	-	-	-	280,916
Capital outlay	895,307	-	-	17,786	913,093
Debt service:					
Principal	-	-	-	-	237,500
Interest	-	-	-	875	229,961
Total expenditures	<u>901,115</u>	<u>-</u>	<u>2</u>	<u>18,661</u>	<u>4,198,495</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(351,395)</u>	<u>-</u>	<u>(2)</u>	<u>5,156</u>	<u>(739,559)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	20,000	-	210	1,391,324
Transfers out	-	-	-	-	(337,654)
Total other financing sources (uses)	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>210</u>	<u>1,053,670</u>
Net change in fund balances	(351,395)	20,000	(2)	5,366	314,111
FUND BALANCES (DEFICIT), beginning of year	<u>2,831,142</u>	<u>117,508</u>	<u>2</u>	<u>2,276,262</u>	<u>8,529,055</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 2,479,747</u>	<u>\$ 137,508</u>	<u>\$ -</u>	<u>\$ 2,281,628</u>	<u>\$ 8,843,166</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, 2020

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 142,046	\$ 119,404	\$ (22,642)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	142,046	119,404	(22,642)
EXPENDITURES			
Current:			
General government	36,875	34,603	2,272
Judicial	40,115	24,734	15,381
Public safety	-	-	-
Health and welfare	65,056	52,308	12,748
Total expenditures	142,046	111,645	30,401
Excess (deficiency) of revenues over (under) expenditures	-	7,759	7,759
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	7,759	7,759
FUND BALANCES, beginning of year	11,341	11,341	-
FUND BALANCES, end of year	\$ 11,341	\$ 19,100	\$ 7,759

(Continued)

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,226,353	1,323,247	96,894	-	-	-
-	-	-	375,000	329,705	(45,295)
-	-	-	-	403	403
-	516	516	-	-	-
1,226,353	1,323,763	97,410	375,000	330,108	(44,892)
-	-	-	-	-	-
-	-	-	-	-	-
1,612,604	1,525,493	87,111	375,000	272,310	102,690
-	-	-	-	-	-
1,612,604	1,525,493	87,111	375,000	272,310	102,690
(386,251)	(201,730)	184,521	-	57,798	57,798
386,251	-	(386,251)	-	-	-
386,251	-	(386,251)	-	-	-
-	(201,730)	(201,730)	-	57,798	57,798
1,044,729	1,044,729	-	253,523	253,523	-
\$ 1,044,729	\$ 842,999	\$ (201,730)	\$ 253,523	\$ 311,321	\$ 57,798

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, 2020

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Court fees, fines and forfeitures	65,000	55,203	(9,797)
Interest	-	220	220
Other	-	141	141
Total revenues	65,000	55,564	(9,436)
EXPENDITURES			
Current:			
Judicial	85,000	34,057	50,943
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	85,000	34,057	50,943
Excess (deficiency) of revenues over (under) expenditures	(20,000)	21,507	41,507
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses) Net	-	-	-
change in fund balances	(20,000)	21,507	41,507
FUND BALANCES (DEFICIT), beginning of year	120,663	120,663	-
FUND BALANCES (DEFICIT), end of year	\$ 100,663	\$ 142,170	\$ 41,507

(Continued)

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 300,000	\$ 274,682	\$ (25,318)
383,561	451,017	67,456	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
104,926	70,826	(34,100)	-	-	-
488,487	521,843	33,356	300,000	274,682	(25,318)
-	-	-	-	-	-
510,966	489,382	21,584	-	-	-
-	-	-	270,360	196,210	74,150
510,966	489,382	21,584	270,360	196,210	74,150
(22,479)	32,461	54,940	29,640	78,472	48,832
22,479	-	(22,479)	-	-	-
-	-	-	(120,000)	(103,006)	16,994
22,479	-	(22,479)	(120,000)	(103,006)	16,994
-	32,461	32,461	(90,360)	(24,534)	65,826
(109,902)	(109,902)	-	244,923	244,923	-
\$ (109,902)	\$ (77,441)	\$ 32,461	\$ 154,563	\$ 220,389	\$ 65,826

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, 2020

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Court fees, fines and forfeitures	\$ 90,000	\$ 61,963	\$ (28,037)
Interest	-	322	322
Other	-	63	63
Total revenues	90,000	62,348	(27,652)
EXPENDITURES			
Current:			
Judicial	90,000	67,302	22,698
Total expenditures	90,000	67,302	22,698
Net change in fund balances	-	(4,954)	(4,954)
FUND BALANCES, beginning of year	394,649	394,649	-
FUND BALANCES, end of year	<u>\$ 394,649</u>	<u>\$ 389,695</u>	<u>\$ (4,954)</u>

Griffin Judicial Circuit Drug Court		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,482	4,482	-
\$ 4,482	\$ 4,482	\$ -

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, 2020

	CDBG Fund		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 84,706	\$ 84,706
Total revenues	-	84,706	84,706
EXPENDITURES			
Current:			
Housing and development	-	84,706	(84,706)
Total expenditures	-	84,706	(84,706)
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -

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, 2020

	2008 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Interest	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Debt service:			
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(210)	(210)
Total other financing sources (uses)	-	(210)	(210)
Net change in fund balances	-	(210)	(210)
FUND BALANCES, beginning of year	203	203	-
FUND BALANCES (DEFICIT), end of year	\$ 203	\$ (7)	\$ (210)

(Continued)

2016 SPLOST Debt Service			GMA Lease Pool Debt Service		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 305,300	\$ 3,414,872	\$ 3,109,572	\$ -	\$ -	\$ -
-	12,962	12,962	121,250	112,981	(8,269)
305,300	3,427,834	3,122,534	121,250	112,981	(8,269)
305,300	302,650	2,650	129,750	128,748	1,002
305,300	302,650	2,650	129,750	128,748	1,002
-	3,125,184	3,125,184	(8,500)	(15,767)	(7,267)
-	-	-	1,002,250	1,002,250	-
-	(3,081)	(3,081)	(993,750)	(234,438)	759,312
-	(3,081)	(3,081)	8,500	767,812	759,312
-	3,122,103	3,122,103	-	752,045	752,045
1,079,269	1,079,269	-	1,339,530	1,339,530	-
\$ 1,079,269	\$ 4,201,372	\$ 3,122,103	\$ 1,339,530	\$ 2,091,575	\$ 752,045

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, 2020

	2015 Airport Debt Service		
	Final Budget	Actual	Variance With Final Budget
EXPENDITURES			
Current:			
General government	\$ 31,026	\$ 31,026	\$ -
Debt service:			
Principal	237,500	237,500	-
Interest	100,338	100,338	-
Total expenditures	<u>368,864</u>	<u>368,864</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(368,864)</u>	<u>(368,864)</u>	<u>-</u>
OTHER FINANCING SOURCES			
Transfers in	<u>368,864</u>	<u>368,864</u>	<u>-</u>
Total other financing sources	<u>368,864</u>	<u>368,864</u>	<u>-</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>\$ -</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, 2020

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Interest	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Capital outlay	137,500	-	137,500
Total expenditures	137,500	-	137,500
Excess (deficiency) of revenues over (under) expenditures	(137,500)	-	137,500
OTHER FINANCING SOURCES			
Transfers in	20,000	20,000	-
Total other financing sources	20,000	20,000	-
Net change in fund balances	(117,500)	20,000	137,500
FUND BALANCES, beginning of year	117,508	117,508	-
FUND BALANCES, end of year	\$ 8	\$ 137,508	\$ 137,500

(Continued)

Impact Fees			2016 SPLOST Capital Projects		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 4,920,000	\$ 2,314,117	\$ (2,605,883)
447,400	525,528	78,128	-	-	-
-	24,192	24,192	-	100,729	100,729
447,400	549,720	102,320	4,920,000	2,414,846	(2,505,154)
12,800	5,808	6,992	-	-	-
2,507,000	895,307	1,611,693	6,461,000	3,178,513	3,282,487
2,519,800	901,115	1,618,685	6,461,000	3,178,513	3,282,487
(2,072,400)	(351,395)	1,721,005	(1,541,000)	(763,667)	777,333
-	-	-	-	3,081	3,081
-	-	-	-	3,081	3,081
(2,072,400)	(351,395)	1,721,005	(1,541,000)	(760,586)	780,414
2,831,142	2,831,142	-	10,106,763	10,106,763	-
\$ 758,742	\$ 2,479,747	\$ 1,721,005	\$ 8,565,763	\$ 9,346,177	\$ 780,414

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, 2020

	Capital Projects 2008 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Interest	\$ -	\$ 23,817	\$ 23,817
Total revenues	-	23,817	23,817
EXPENDITURES			
Current:			
General government	-	-	-
Capital outlay	2,348,500	17,786	2,330,714
Debt service:			
Interest	1,500	875	625
Total expenditures	2,350,000	18,661	2,331,339
Excess (deficiency) of revenues over (under) expenditures	(2,350,000)	5,156	2,355,156
OTHER FINANCING SOURCES (USES)			
Transfers in	-	210	210
Total other financing sources (uses)	-	210	210
Net change in fund balances	(2,350,000)	5,366	2,355,366
FUND BALANCES, beginning of year	2,276,262	2,276,262	-
FUND BALANCES, end of year	\$ (73,738)	\$ 2,281,628	\$ 2,355,366

Capital Projects 2005 SPLOST		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
-	-	-
2	2	-
-	-	-
-	-	-
2	2	-
(2)	(2)	-
-	-	-
-	-	-
(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, 2020

	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	\$ 20,808,554	\$ 16,075	\$ 20,824,629
Acquisition, construction, improvements, and additions to Griffin Technical College	7,000,000	7,000,000	6,278,038	-	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	7,168,600	1,711	7,170,311
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	3,025,540	875	3,026,415
	<u>\$ 54,000,000</u>	<u>\$ 54,000,000</u>	<u>\$ 48,198,582</u>	<u>\$ 18,661</u>	<u>\$ 48,217,243</u>

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2016 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
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	994,276	-	994,276
Heritage Park improvements	995,000	995,000	286,785	76,338	363,123
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	343,756	744,293
Renovation of the Animal Control facility	1,185,000	1,185,000	33,611	84,204	117,815
Acquisition and equipping of materials for the Griffin-Spalding Library System	250,000	250,000	13,687	63,174	76,861
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	-	30,591	30,591
Acquisition of vehicles and equipment for the Sheriff's Department Gang Reduction and Intervention Program (GRIP)	270,000	270,000	243,935	6,937	250,872
Roads, streets, bridges, transportation improvements, and equipment	8,705,851	8,705,851	4,203,560	2,516,678	6,720,238
City of Orchard Hill	491,452	491,452	358,278	56,835	415,113
City of Sunny Side	352,430	352,430	76,488	-	76,488
Bond interest expense	1,625,167	1,625,167	858,017	302,650	1,160,667
	<u>\$ 28,056,000</u>	<u>\$ 28,056,000</u>	<u>\$ 14,972,731</u>	<u>\$ 3,481,163</u>	<u>\$ 18,453,894</u>

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, 2020

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ASSETS				
Cash	\$ 508,759	\$ 198,956	\$ 21,044	\$ 325,848
Taxes receivable	2,713,415	-	-	-
Accounts receivable	<u>25,852</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 3,248,026</u>	<u>\$ 198,956</u>	<u>\$ 21,044</u>	<u>\$ 325,848</u>
LIABILITIES				
Due to others	<u>\$ 3,248,026</u>	<u>\$ 198,956</u>	<u>\$ 21,044</u>	<u>\$ 325,848</u>

Correctional Institution	Sheriff	Total
\$ 54,276	\$ 569,246	\$ 1,678,129
-	-	2,713,415
-	-	25,852
<u>\$ 54,276</u>	<u>\$ 569,246</u>	<u>\$ 4,417,396</u>
<u>\$ 54,276</u>	<u>\$ 569,246</u>	<u>\$ 4,417,396</u>

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 435,291	\$ 31,282,768	\$ 31,209,300	\$ 508,759
Taxes receivable	2,217,411	2,713,415	2,217,411	2,713,415
Accounts receivable	24,776	1,076	-	25,852
Total assets	<u>\$ 2,677,478</u>	<u>\$ 33,997,259</u>	<u>\$ 33,426,711</u>	<u>\$ 3,248,026</u>
LIABILITIES				
Due to others	<u>\$ 2,677,478</u>	<u>\$ 33,997,259</u>	<u>\$ 33,426,711</u>	<u>\$ 3,248,026</u>
<u>Magistrate Court</u>				
ASSETS				
Cash	<u>\$ 186,591</u>	<u>\$ 329,355</u>	<u>\$ 316,990</u>	<u>\$ 198,956</u>
LIABILITIES				
Due to others	<u>\$ 186,591</u>	<u>\$ 329,355</u>	<u>\$ 316,990</u>	<u>\$ 198,956</u>
<u>Probate Court</u>				
ASSETS				
Cash	<u>\$ 18,631</u>	<u>\$ 76,705</u>	<u>\$ 74,292</u>	<u>\$ 21,044</u>
LIABILITIES				
Due to others	<u>\$ 18,631</u>	<u>\$ 76,705</u>	<u>\$ 74,292</u>	<u>\$ 21,044</u>
<u>Clerk of Superior Court</u>				
ASSETS				
Cash	<u>\$ 288,797</u>	<u>\$ 1,466,747</u>	<u>\$ 1,429,696</u>	<u>\$ 325,848</u>
LIABILITIES				
Due to others	<u>\$ 288,797</u>	<u>\$ 1,466,747</u>	<u>\$ 1,429,696</u>	<u>\$ 325,848</u>

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Correctional Institution</u>				
ASSETS				
Cash	\$ 87,383	\$ 565,578	\$ 598,685	\$ 54,276
LIABILITIES				
Due to others	\$ 87,383	\$ 565,578	\$ 598,685	\$ 54,276
<u>Sheriff</u>				
ASSETS				
Cash	\$ 403,581	\$ 292,318	\$ 126,653	\$ 569,246
LIABILITIES				
Due to others	\$ 403,581	\$ 292,318	\$ 126,653	\$ 569,246
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 1,420,274	\$ 34,013,471	\$ 33,755,616	\$ 1,678,129
Taxes receivable	2,217,411	2,713,415	2,217,411	2,713,415
Accounts receivable	24,776	1,076	-	25,852
Total assets	\$ 3,662,461	\$ 36,727,962	\$ 35,973,027	\$ 4,417,396
LIABILITIES				
Due to others	\$ 3,662,461	\$ 36,727,962	\$ 35,973,027	\$ 4,417,396

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION COMPONENT UNIT - WATER AUTHORITY JUNE 30, 2020

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 14,384,314
Accounts receivable	1,172,073
Due from primary government	3,830
Restricted assets, cash and cash equivalents	<u>1,017,730</u>
Total current assets	<u>16,577,947</u>
NON-CURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	13,500
Capital assets, depreciable, net of accumulated depreciation	<u>21,646,470</u>
Total capital assets	<u>21,659,970</u>
Total non-current assets	<u>21,659,970</u>
Total assets	<u>38,237,917</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	33,606
Accrued liabilities	705
Current portion of compensated absences payable	11,955
Current portion of bonds payable from restricted assets	880,000
Accrued interest	<u>103,908</u>
Total current liabilities	<u>1,030,174</u>
NON-CURRENT LIABILITIES	
Compensated absences payable, net of current portion	7,970
Bonds payable, net of current portion	<u>8,673,456</u>
Total non-current liabilities	<u>8,681,426</u>
Total liabilities	<u>9,711,600</u>
NET POSITION	
Net investment in capital assets	12,106,514
Unrestricted	<u>16,419,803</u>
Total net position	<u>\$ 28,526,317</u>

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION COMPONENT UNIT - WATER AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OPERATING REVENUES

Charges for services	\$ 9,244,400
Total operating revenues	<u>9,244,400</u>

OPERATING EXPENSES

Personal services and employee benefits	323,139
Contracted services	6,311,240
Material and supplies	133,567
Other operating expenses	177,198
Depreciation	745,832
Total operating expenses	<u>7,690,976</u>

Operating income	<u>1,553,424</u>
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NON-OPERATING INCOME (EXPENSES)

Interest income	30,403
Interest expense	(283,904)
Transfer out	84,706
Total non-operating expenses, net	<u>(168,795)</u>

Change in net position	1,384,629
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NET POSITION, beginning of year	<u>27,141,688</u>
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NET POSITION, end of year	<u><u>\$ 28,526,317</u></u>
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SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - WATER AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 9,217,256
Payments to employees	(276,515)
Payments to suppliers for goods and services provided	(6,760,304)
Net cash provided by operating activities	2,180,437

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(229,129)
Operating transfers	84,706
Principal payments on long-term borrowings	(810,000)
Interest payments on long-term borrowings	(387,053)
Net cash used in capital and related financing activities	(1,341,476)

Net increase in cash and cash equivalents	869,364
Cash and cash equivalents, beginning of year	14,532,680
Cash and cash equivalents, end of year	\$ 15,402,044

Reconciliation to the statement of net position:

Cash	\$ 14,384,314
Restricted cash	1,017,730
Total	\$ 15,402,044

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

Operating income	\$ 1,553,424
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	745,832
Increase in accounts receivable	(25,354)
Decrease in deferred outflows of resources	49,823
Decrease in accounts payable	(3,199)
Decrease in accounts payable	(138,299)
Net cash provided by operating activities	\$ 2,180,437

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 – 119
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	120 – 123
<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.....	124 – 126
<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	127 – 130
<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,				
	2011	2012	2013	2014	2015
Primary government:					
Governmental activities:					
Investment in capital assets	\$ 82,982,348	\$ 82,563,218	\$ 85,013,668	\$ 84,742,325	\$ 85,020,018
Restricted	20,114,417	23,034,482	22,485,176	22,961,705	22,977,148
Unrestricted	(9,704,012)	(7,948,212)	(6,712,169)	(2,321,893)	(4,259,173)
Total primary government net position	<u>\$ 93,392,753</u>	<u>\$ 97,649,488</u>	<u>\$ 100,786,675</u>	<u>\$ 105,382,137</u>	<u>\$ 103,737,993</u>

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 80,220,168	\$ 84,145,000	\$ 81,899,912	\$ 81,336,766	\$ 77,247,114
22,603,433	18,546,505	16,753,035	21,399,966	24,951,060
(3,484,551)	(5,647,943)	(6,092,143)	(3,862,370)	(11,704,117)
<u>\$ 99,339,050</u>	<u>\$ 97,043,562</u>	<u>\$ 92,560,804</u>	<u>\$ 98,874,362</u>	<u>\$ 90,494,057</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 7,417,820	\$ 7,236,133	\$ 7,179,178	\$ 7,034,101	\$ 5,496,857
Judicial	4,617,323	5,088,552	4,858,593	4,794,545	4,938,181
Public safety	28,442,241	28,124,718	27,907,077	27,191,157	27,544,324
Public works	5,374,364	4,339,173	4,423,522	7,115,261	2,688,331
Health and welfare	934,364	620,797	615,933	569,205	574,334
Culture and recreation	2,677,153	2,848,613	2,586,924	2,394,204	2,499,384
Housing and development	6,118,772	996,194	793,346	825,926	1,830,357
Interest on long-term debt	1,085,318	909,418	749,441	561,341	364,470
Total primary government expenses	<u>56,667,355</u>	<u>50,163,598</u>	<u>49,114,014</u>	<u>50,485,740</u>	<u>45,936,238</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	1,956,814	2,203,046	1,813,058	1,787,846	2,318,583
Judicial	1,890,553	1,866,206	1,685,596	1,627,286	1,624,499
Public safety	5,656,679	5,641,026	5,300,243	5,225,633	5,654,678
Other activities	353,893	441,843	380,215	427,564	551,090
Operating grants and contributions	1,954,506	1,065,062	1,480,378	1,762,818	1,437,094
Capital grants and contributions	<u>761,524</u>	<u>194,477</u>	<u>275,942</u>	<u>37,160</u>	<u>6,917</u>
Total primary government program revenues	<u>12,573,969</u>	<u>11,411,660</u>	<u>10,935,432</u>	<u>10,868,307</u>	<u>11,592,861</u>
Net (expense)/revenue					
Total primary government net expense	<u>(44,093,386)</u>	<u>(38,751,938)</u>	<u>(38,178,582)</u>	<u>(39,617,433)</u>	<u>(34,343,377)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	24,304,835	23,803,917	23,156,753	24,660,616	23,979,331
Alcoholic beverage taxes	342,638	332,017	333,786	330,240	333,273
Vehicle taxes	1,758,346	1,855,547	2,119,129	2,609,866	2,481,082
Sales taxes	12,772,683	14,367,296	12,821,902	13,830,494	9,376,475
Intangible taxes	197,775	199,474	280,425	196,240	198,185
Insurance premium taxes	1,648,929	1,676,704	1,791,251	1,861,717	1,964,919
Hotel/motel taxes	96,106	96,737	110,037	116,554	121,465
Other taxes	498,342	514,422	539,489	528,494	525,761
Unrestricted investment earnings	<u>197,308</u>	<u>162,559</u>	<u>162,997</u>	<u>148,120</u>	<u>142,586</u>
Total primary government	<u>41,816,962</u>	<u>43,008,673</u>	<u>41,315,769</u>	<u>44,282,341</u>	<u>39,123,077</u>
Change in Net Position					
Total primary government	<u>\$ (2,276,424)</u>	<u>\$ 4,256,735</u>	<u>\$ 3,137,187</u>	<u>\$ 4,664,908</u>	<u>\$ 4,779,700</u>

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 6,313,727	\$ 9,048,366	\$ 7,094,473	\$ 6,398,786	\$ 9,864,438
4,801,190	4,454,124	4,749,565	4,754,535	6,428,585
28,428,857	30,304,644	32,043,298	32,358,206	42,576,772
4,512,690	4,683,035	6,655,312	4,665,063	7,132,495
576,772	559,589	994,880	1,024,892	1,115,190
3,071,094	2,302,041	3,192,941	2,876,231	4,293,452
5,636,437	3,518,215	4,590,713	1,360,182	1,654,013
759,213	432,502	558,406	584,771	567,532
54,099,980	55,302,516	59,879,588	54,022,666	73,632,477
2,060,790	2,073,456	1,783,252	1,662,159	1,769,137
1,683,399	1,680,909	2,403,684	2,415,084	2,089,267
5,757,601	5,817,893	6,354,027	6,756,048	6,825,059
580,049	581,784	1,071,279	1,384,558	1,172,580
1,566,317	1,755,962	1,693,743	1,790,001	2,933,777
43,316	61,735	543,005	348,719	345,137
11,691,472	11,971,739	13,848,990	14,356,569	15,134,957
(42,408,508)	(43,330,777)	(46,030,598)	(39,666,097)	(58,497,520)
25,227,897	25,102,166	25,483,255	27,825,071	29,768,448
344,805	340,499	320,121	338,099	350,850
2,349,670	2,297,219	2,438,219	2,702,707	3,173,566
6,749,243	9,704,870	10,235,164	11,051,719	12,407,764
268,726	300,393	354,537	366,664	515,881
2,104,227	2,239,234	2,420,573	2,610,028	2,800,952
98,582	178,892	184,931	294,857	274,682
754,005	737,194	767,605	679,187	712,089
112,410	134,822	112,951	111,323	112,983
38,009,565	41,035,289	42,317,356	45,979,655	50,117,215
\$ (4,398,943)	\$ (2,295,488)	\$ (3,713,242)	\$ 6,313,558	\$ (8,380,305)

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Assigned	2,622,751	1,625,609	1,428,381	1,524,540	1,734,488
Unassigned	899,412	1,289,814	396,132	1,138,875	1,562,527
Total General Fund	<u>3,522,163</u>	<u>2,915,423</u>	<u>1,824,513</u>	<u>2,663,415</u>	<u>3,297,015</u>
All Other Governmental Funds					
Reserved, reported in					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	- (1)	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	- (1)	-	-	-	-
Restricted	21,353,846	24,058,981	23,348,779	24,150,690	23,903,282
Assigned	304,984	325,324	257,207	137,122	157,108
Unassigned	<u>(21,258)</u>	<u>(105,694)</u>	<u>(17,473)</u>	<u>-</u>	<u>(325)</u>
Total All Other Governmental Funds	<u>21,637,572</u>	<u>24,278,611</u>	<u>23,588,513</u>	<u>24,287,812</u>	<u>24,060,065</u>
Total Governmental Funds					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Restricted	21,353,846	24,058,981	23,348,779	24,150,690	23,903,282
Assigned	2,927,735	1,950,933	1,685,588	1,661,662	1,891,596
Unassigned	878,154	1,184,120	378,659	1,138,875	1,562,202
Total Governmental Funds	<u>\$ 25,159,735</u>	<u>\$ 27,194,034</u>	<u>\$ 25,413,026</u>	<u>\$ 26,951,227</u>	<u>\$ 27,357,080</u>

NOTE:

(1) Reserved fund balance in capital projects funds was reclassified to unreserved fund balance during 2010. GASB 54 was implemented in 2010.

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,734,488	2,065,765	1,985,941	3,931,796	4,428,705
2,665,611	3,383,165	3,978,741	2,293,851	7,777,752
4,400,099	5,448,930	5,964,682	6,225,647	12,206,457
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
23,487,582	19,734,391	16,666,378	21,741,099	25,914,169
57,908	77,508	131,343	962,396	159,593
(98,329)	(80,005)	(130,871)	(109,902)	(77,448)
23,447,161	19,731,894	16,666,850	22,593,593	25,996,314
-	-	-	-	-
-	-	-	-	-
23,487,582	19,734,391	16,666,378	21,741,099	25,914,169
1,791,996	2,143,273	2,117,284	4,894,192	4,588,298
2,567,282	3,303,160	3,847,870	2,183,949	7,700,304
\$ 27,846,860	\$ 25,180,824	\$ 22,631,532	\$ 28,819,240	\$ 38,202,771

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2011	2012	2013	2014	2015
REVENUES					
Taxes	\$ -	\$ 43,300,961	\$ 40,600,157	\$ 44,079,395	\$ 39,399,484
Licenses and permits	-	213,767	192,893	227,586	446,798
Intergovernmental	-	1,230,452	1,712,109	1,784,111	1,430,352
Court fees, fines and forfeitures	-	1,693,715	1,640,502	1,455,478	1,649,797
Charges for services	-	6,331,877	5,997,745	5,996,839	6,476,550
Interest	-	160,259	151,839	151,156	149,490
Contributions and donations	-	8,645	42,094	6,580	6,515
Rentals	-	197,315	177,095	172,800	230,493
Other	-	1,735,452	1,172,539	1,215,928	1,345,439
Total Revenues	<u>54,322,302</u>	<u>54,872,443</u>	<u>51,686,973</u>	<u>55,089,873</u>	<u>51,134,918</u>
EXPENDITURES					
General government	-	5,282,991	4,870,294	4,406,367	4,787,118
Judicial	-	4,534,222	4,231,806	4,331,535	4,453,014
Public safety	-	27,581,114	26,894,567	27,261,190	28,032,298
Public works	-	3,697,648	3,492,002	3,874,610	3,291,378
Health and welfare	-	620,797	614,442	570,127	572,952
Culture and recreation	-	2,761,468	2,417,196	2,265,625	2,596,783
Housing and development	-	795,127	779,043	882,691	859,778
Intergovernmental	-	1,481,675	1,760,066	2,278,890	304,851
Capital outlay	-	1,255,926	3,591,788	2,954,068	1,259,214
Debt service	-	-	-	-	-
Principal	-	3,891,216	4,036,121	4,081,346	4,140,010
Interest	-	935,960	780,656	645,223	431,669
Issuance costs	-	-	-	-	-
Total Expenditures	<u>53,560,809</u>	<u>52,838,144</u>	<u>53,467,981</u>	<u>53,551,672</u>	<u>50,729,065</u>
Excess of Revenues					
Over (Under) Expenditures	<u>761,493</u>	<u>2,034,299</u>	<u>(1,781,008)</u>	<u>1,538,201</u>	<u>405,853</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,535,051	1,309,771	1,636,593	1,799,381
Transfers out	-	(1,535,051)	(1,309,771)	(1,636,593)	(1,799,381)
Issuance of general obligation bonds	-	-	-	-	-
Premium on bond issue	-	-	-	-	-
Capital leases	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 761,493</u>	<u>\$ 2,034,299</u>	<u>\$ (1,781,008)</u>	<u>\$ 1,538,201</u>	<u>\$ 405,853</u>
Debt Service as a Percentage of Noncapital Expenditures	8.63%	9.57%	9.89%	9.12%	9.62%

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
\$ 38,044,455	\$ 40,931,615	\$ 41,809,792	\$ 44,605,309	\$ 49,534,574
418,321	392,243	444,861	543,445	500,423
1,464,375	1,572,996	2,720,819	2,935,975	2,915,204
1,574,445	1,553,137	2,346,158	2,204,448	1,983,126
6,395,476	6,303,136	6,588,044	7,093,240	7,124,450
122,429	165,022	222,788	341,954	312,438
7,190	15,310	13,465	12,547	31,035
200,242	194,690	194,408	194,330	196,828
1,588,107	1,878,492	2,150,224	2,246,691	2,307,375
49,815,040	53,006,641	56,490,559	60,177,939	64,905,453
5,601,742	6,159,612	7,083,845	6,279,108	8,362,276
4,209,749	4,396,908	4,722,297	4,798,893	4,987,513
28,089,221	28,851,742	29,508,660	31,042,684	31,789,250
3,544,994	3,712,824	4,279,733	5,279,609	4,595,151
555,399	542,743	976,264	1,006,296	973,796
2,469,123	2,543,356	2,822,324	3,003,876	3,176,433
896,855	1,293,733	1,111,086	1,280,492	1,489,274
312,493	-	-	-	-
9,370,601	8,347,006	7,738,743	1,140,703	4,137,636
3,306,685	-	58,817	362,108	372,799
438,481	381,967	504,452	578,032	567,379
250,572	-	-	-	-
59,045,915	56,229,891	58,806,221	54,771,801	60,451,507
(9,230,875)	(3,223,250)	(2,315,662)	5,406,138	4,453,946
2,924,615	2,579,853	2,662,287	3,120,878	1,731,849
(2,924,615)	(2,579,853)	(2,662,287)	(3,120,878)	(1,731,849)
8,800,000	-	-	-	-
1,019,527	-	-	-	-
-	458,342	-	547,940	4,929,585
-	-	-	-	-
9,819,527	458,342	-	547,940	4,929,585
\$ 588,652	\$ (2,764,908)	\$ (2,315,662)	\$ 5,954,078	\$ 9,383,531
6.85%	0.79%	1.03%	1.86%	1.69%

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	
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
2020	1,805,581,377	33,679,986	476,686	341,532	222,529,078	1,617,550,503

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
Total Direct	Estimated	Value as a
Tax Rate	Actual	Percentage of
	Value	Actual Value
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%
16.54	4,043,876,258	40%

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,				
	2011	2012	2013	2014	2015
Spalding County direct rates:					
Unincorporated maintenance and operations	18.18	18.50	18.73	19.70	19.62
Sales tax reduction	(3.37)	(3.49)	(3.72)	(3.69)	(3.61)
Total direct rate	14.81	15.01	15.01	16.01	16.01
Municipal rates:					
City of Griffin:					
Maintenance and operations	8.63	8.63	8.63	8.61	8.40
City of Orchard Hill maintenance and operations	4.95	4.95	5.00	6.31	6.31
City of Sunny Side maintenance and operations	4.29	4.29	4.08	5.00	5.00
Fire protection (1)	5.98	5.92	6.00	6.10	6.22
Insurance premium rollback (1)	(1.81)	(1.75)	(1.83)	(1.93)	(2.05)
Board of Education	18.80	19.06	19.47	19.47	19.47
State of Georgia	0.25	0.25	0.20	0.15	0.10
Total Unincorporated Spalding County	38.03	38.49	38.85	39.80	39.75
Total Municipalities:					
City of Griffin	42.49	42.95	43.31	44.24	43.98
City of Orchard Hill	38.81	39.27	39.68	41.94	41.89
City of Sunny Side	38.15	38.61	38.76	40.63	40.58

SOURCE:

Spalding County Tax Commissioner's Office

NOTE:

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

Fiscal Year Ended June 30,				
2016	2017	2018	2019	2020
19.60	19.32	18.85	19.95	19.93
(3.59)	(3.66)	(3.49)	(3.42)	(3.40)
16.01	15.66	15.36	16.53	16.54
7.89	7.77	7.77	7.64	7.08
6.31	6.31	5.94	5.94	5.61
5.00	5.00	5.00	5.00	4.79
6.31	5.91	5.84	6.06	6.11
(2.14)	(2.30)	(2.23)	(2.45)	(2.50)
18.74	18.57	18.20	18.07	17.08
0.05	-	-	-	-
38.97	37.84	37.17	38.21	37.23
42.69	42.00	41.34	42.24	40.70
41.11	40.54	39.51	40.54	39.23
39.80	39.23	38.56	39.60	38.41

SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	Fiscal Year 2020		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pulte Home Company LLC	Sun City Peachtree retirement community	\$ 15,344,337	1	0.95%
North Griffin Square LLC	Real estate development	28,622,000	2	1.77%
Dematic Corporation	Supply chain automation & logistics	24,773,033	3	1.53%
Central Georgia EMC	Public utility	23,657,407	4	1.46%
Wal-Mart Stores, Inc.	Retail	24,734,176	5	1.53%
Coveris Holding Corporation	Flexible packaging manufacturing	28,591,102	6	1.77%
Hoshizaki Americas, Inc.	Commercial refrigeration systems	49,996,208	7	3.09%
Caterpillar, Inc.	Power generation systems	20,222,986	8	1.25%
Bridgestone Bandag LLC	Retread manufacturing	29,857,423	9	1.85%
Georgia Power Company	Public utility	18,923,987	10	1.17%
Wellstar Spalding Regional Hospital	Hospital/health care	-	-	-
A E P Industries	Packaging film manufacturing	-	-	-
North Spalding Development Company	Real estate development	-	-	-
Halpern Enterprises	Commercial real estate	-	-	-
NACOM Corporation	Automotive components	-	-	-
First National Bank of Griffin	Financial Institution	-	-	-
Norcom	School paper products	-	-	-
Total		<u>\$ 264,722,659</u>		<u>16.37%</u>

SOURCE:

Spalding County Tax Commissioner's Office

Fiscal Year 2010			
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
\$ 8,243,917	6	0.55%	
-	-	-	
-	-	-	
-	-	-	
8,753,709	4	0.59%	
-	-	-	
-	-	-	
31,905,580	1	2.14%	
-	-	-	
-	-	-	
14,456,666	2	0.97%	
11,081,113	3	0.74%	
8,589,609	5	0.58%	
6,477,233	7	0.43%	
6,168,122	8	0.41%	
5,917,242	9	0.40%	
4,315,565	10	0.29%	
<u>\$ 105,908,756</u>		<u>7.10%</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
2011	\$ 22,083,828	\$ 20,155,597	91.27%	\$ 1,100,013	\$ 21,252,003	96.25%
2012	21,583,364	20,165,501	93.43%	1,071,938	21,232,585	98.40%
2013	20,986,164	19,551,976	93.17%	1,244,701	20,771,504	99.10%
2014	22,504,182	21,422,273	95.19%	1,073,839	22,480,969	99.96%
2015	21,782,510	19,683,567	90.36%	1,001,719	20,667,095	94.96%
2016	22,338,600	20,805,491	93.14%	793,106	21,556,378	96.69%
2017	22,489,752	20,797,500	92.48%	777,791	21,500,279	95.93%
2018	22,465,824	21,133,423	94.07%	589,460	21,649,071	96.69%
2019	24,670,669	22,691,502	91.98%	426,448	22,691,502	93.71%
2020	26,175,770	24,430,912	93.33%	-	24,430,912	93.33%

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)
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
2020	9,092,559	2,500,000	2,815,000	5,612,143	20,019,702	0.84%	300

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.

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)
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
2020	9,092,559	1,180,222	7,912,337	0.20%	119

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,				
	2011	2012	2013	2014	2015
Debt limit	\$ 149,095,762	\$ 143,791,843	\$ 139,808,821	\$ 140,559,346	\$ 136,055,655
Total net debt applicable to limit	12,600,000	9,600,000	6,500,000	3,300,000	-
Legal debt margin	<u>\$ 136,495,762</u>	<u>\$ 134,191,843</u>	<u>\$ 133,308,821</u>	<u>\$ 137,259,346</u>	<u>\$ 136,055,655</u>
Total net debt applicable to the limit as a percentage of debt limit	8.45%	6.68%	4.65%	2.35%	0.00%

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,				
2016	2017	2018	2019	2020
\$ 139,529,044	\$ 143,612,721	\$ 146,261,872	\$ 149,204,642	\$ 161,755,050
8,800,000	8,800,000	8,800,000	8,800,000	8,800,000
<u>\$ 130,729,044</u>	<u>\$ 134,812,721</u>	<u>\$ 137,461,872</u>	<u>\$ 140,404,642</u>	<u>\$ 152,955,050</u>
6.31%	6.13%	6.02%	5.90%	5.44%

Legal Debt Margin Calculation for Fiscal Year 2020

Total assessed value	\$ 1,840,079,581
Less exemptions	<u>222,529,078</u>
Total taxable assessed value	1,617,550,503
Debt limit (10% of assessed value)	161,755,050
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><u>\$ 152,955,050</u></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)
2011	64,096	\$ 1,750,573	\$ 27,312	10,685	14.40%
2012	64,044	1,861,019	29,058	10,614	12.90%
2013	63,691	1,863,704	29,262	10,582	12.20%
2014	63,508	1,874,958	29,523	10,626	9.90%
2015	63,692	1,955,374	30,700	10,474	8.10%
2016	63,818	2,048,726	32,103	10,261	6.70%
2017	64,546	2,131,652	33,025	10,305	6.00%
2018	65,358	2,197,159	33,617	10,383	4.80%
2019	66,107	2,299,620	34,786	10,353	4.40%
2020	66,703	2,383,949	35,740	10,207	8.90%

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 2020		
		Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System	Education	1,480	1	4.53 %
Caterpillar, Inc.	Power generation systems	900	2	2.76
Wellstar Spalding Regional Medical Center	Hospital/health care	900	3	2.76
Spalding County	Government	601	4	1.84
CareMaster Medical	Home nursing	600	5	1.84
City of Griffin	Government	466	6	1.43
University of Georgia Griffin Campus	Agricultural research education	405	7	1.24
Southern Crescent Technical College	Education	360	8	1.10
Norcom	School paper products	280	9	0.86
1888 Mills/Southern Terry	Terry cloth towels	278	10	0.85
AEP Industries, Inc.	Packaging film manufacturing	-	-	-
		6,270		19.20 %

SOURCE:

Griffin-Spalding County Development Authority

Fiscal Year 2011		
Employees	Rank	Percentage of Total County Employment
1,512	1	5.24 %
900	2	3.12
900	3	3.12
611	4	2.12
-		-
490	5	1.70
405	6	1.40
360	8	1.25
280	9	0.97
375	7	1.30
250	10	0.87
<u>6,083</u>		<u>21.08 %</u>

SPALDING COUNTY, GEORGIA

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

Function	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	50	50	49	45	46	48	47	49	49	50
Judicial	50	51	50	48	47	43	42	42	43	43
Public Safety										
Sheriff										
Officers	154	155	155	155	157	157	144	176	175	175
Civilians	35	40	38	35	38	35	31	24	24	25
Correctional Institution										
Officers	78	78	77	77	74	75	73	72	72	75
Civilians	6	7	6	6	6	7	6	10	10	10
Fire										
Firefighters and officers	80	82	81	81	82	81	74	81	81	81
Civilians	2	2	1	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	24	26	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	32	32	26	32	32	33
Solid waste	17	17	10	10	9	10	9	10	10	10
Health and Welfare	1	1	1	1	1	5	5	5	6	5
Culture and Recreation	37	38	36	34	31	34	32	38	37	37
Housing and Development	15	15	15	15	12	12	12	14	11	10
Total Governmental Funds	600	611	594	583	576	580	540	594	589	595

SOURCE:

Spalding County Human Resources Department

SPALDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Sheriff:										
Physical arrests	2,831	2,477	1,124	1,019	1,764	1,376	5,254	2,978	1,827	3,149
Traffic violations	1,269	1,397	1,528	1,125	679	640	1,693	3,395	3,903	3,709
Fire District:										
Calls answered	1,710	1,619	1,734	1,747	2,379	3,534	3,442	3,944	2,959	2,709
Inspections	394	311	267	390	265	512	457	334	697	315
Public Works										
Street resurfacing (miles)	3	7	6	27	-	15	17	12	-	13

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	45	45	53	40	48	50	49	49	49	54
Fire District:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire trucks	11	9	11	9	10	12	11	12	11	12
Public Works										
Roads (miles)	445	446	447	448	451	457	457	458	458	472
Culture and Recreation										
Parks acreage	509	509	509	509	509	509	509	509	509	509
Playgrounds	13	13	13	13	13	13	13	17	21	22
Baseball/Softball diamonds	20	20	20	20	20	20	20	20	20	20
Soccer fields	7	7	7	7	7	7	7	7	7	7
Football fields	3	3	3	2	2	2	2	2	2	2
Recreation centers	4	4	4	4	3	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	9	9	9	9	9	9	9	10	11	11
Disc golf courses	-	-	-	-	-	1	1	2	3	4
Skate parks	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	-	18	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>
2011	\$ 8,375,663
2012	8,700,282
2013	8,485,914
2014	8,200,363
2015	8,523,104
2016	1,371,784 (2)
2017	8,653,100
2018	8,732,890
2019	9,645,304
2020	10,331,735

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.

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	
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
2020		9,244,400		6,945,144	2,299,256	810,000	283,904	1,093,904	2.10

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 LEC	Government	1	18,210,720	\$ 214,776	2.30 %
Trimark Northside	Apartment Homes	2	13,905,125	150,157	1.61
Spalding CI	Government	3	8,682,912	94,475	1.01
Caterpillar	Power Generation Systems	4	5,983,100	65,422	0.70
Brightmoor	Nursing Home	5	5,637,282	61,345	0.66
AEP	Packaging Film	6	5,255,750	57,002	0.61
Walker Concrete	Concrete Company	7	3,933,519	42,603	0.46
Wolf Creek Homes	Town Home Community	8	3,063,102	33,390	0.36
Pulte Homes	Home Builder	9	2,893,446	38,891	0.42
Sun City HOA	Retirement Community	10	2,593,865	28,312	0.30
Total			<u>70,158,820</u>	<u>\$ 786,373</u>	<u>8.43 %</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
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	778,475,600	7.95	9.94	10.89
2020	13,804	809,041,230	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>
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
2020	5,541,020	6.74

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.

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, 2020, 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 18, 2020. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being a simple cross.

Macon, Georgia
December 18, 2020

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

___ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2020 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, 2020

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, 2020

None reported.



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 (the "County") as of and for the year ended June 30, 2020, 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 18, 2020, 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 18, 2020

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>State Program Name</u>	<u>Contract Number</u>	<u>Contract Period</u>	<u>Due From State June 30, 2019</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Due From State June 30, 2020</u>
Community Services Block Grant	42700-040-063896	July 2019 - September 2019	\$ -	\$ 69,615	\$ 69,615	\$ -
Community Services Block Grant	42700-040-076874	October 2019 - June 2020	23,740	73,986	82,066	31,820
			<u>\$ 23,740</u>	<u>\$ 143,601</u>	<u>\$ 151,681</u>	<u>\$ 31,820</u>