

SPALDING COUNTY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

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

SPALDING COUNTY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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SPALDING COUNTY, GEORGIA

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I. INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

Clay Davis, CHAIRMAN
James R. Dutton, VICE CHAIRMAN
Gwen Flowers-Taylor
Rita C. Johnson
Ryan Bowlden

COUNTY MANAGER
Steve Ledbetter

COUNTY ATTORNEY
Stephanie Windham

December 20, 2021

To the Honorable Clay W Davis, 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 Annual Comprehensive Financial Report of Spalding County, Georgia for the fiscal year ended June 30, 2021.

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, 2021. 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 required to issue a single audit report on federal programs activity for its fiscal year ended June 30, 2021. The dollar threshold of applicability requiring a single audit is \$750,000 of which the County's program expenditures exceeded through the acceptance of the CARES funding and the American Rescue Plan funds.

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 67,306 as reported in the 2020 US Census report. 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, Orchard Hill and Sunny Side.

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 Orchard Hill and Sunny Side 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.

During the past ten years, Spalding County's unemployment rate has fallen from an initial high of 14.4 percent in 2011 to the current low of 5.2 percent in 2021. The current unemployment rate for the State of Georgia is 4.0 percent.

The Griffin Spalding County School system (GSCS) currently serves 9,741 students. With 708 classroom teachers. The County's teacher to student ratio is 1:13.76. GSCS' 2021 graduation rate of 83.54% is a decrease from last year, yet in line with the state's average. The previous graduation rates are: 90.2% in 2020, 88.6% in 2019, 85.4% in 2018, 81.4% in 2017, 69.2% in 2016, and 66.6% in 2015. According to the Georgia Department of Education website (Frick, 2021), Georgia's high-school graduation rate did not change significantly from 2020 to 2021 – the 2021 rate was 83.7 percent compared to 83.8 percent in 2020.

Southern Crescent Technical College (SCTC) enrolled 7,627 students in credit programs with a 69.5% retention rate. Ranked Georgia's 6th largest technical college, they graduated 2,784 students and secured the position of 3rd largest producer of graduates in the Technical College System. SCTC continued to provide cutting-edge programs to meet the workforce demands of our local business and industry partners. Developing our workforce is important, and SCTC's overall placement rate for academic year 2021 was 99.4% and in-field placement rate rose from 88.2% in 2020 to 90.3% in academic year 2021. SCTC shares the pride as being the 16th community and technical college in the nation selected as a "Most Promising Place to Work" and they are a designated "Military Friendly School". Spalding County is proud to have Southern Crescent Technical College within our community.

The University of Georgia Griffin Campus (UGA-Griffin), originally established as the Georgia Experiment Station in 1888, has played an integral role in the development of modern agriculture. While the campus is mostly known for its groundbreaking advancements in agricultural and environmental sciences, UGA-Griffin began offering degree-completion programs in 2005. Students at UGA-Griffin enjoy low student-to-faculty ratios, and many students can take advantage of on-campus work and directed research opportunities so they can gain real-world work experience while earning their University of Georgia degree.

UGA-Griffin also hosts the Office of Continuing Education, which provides innovative lifelong learning opportunities through its programs. In addition, Continuing Ed offers youth and community outreach programs, as well as conference space for other meetings and special events. With both degree and non-degree programs, the UGA-Griffin campus continues to be a vital community partner.

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 aftermath of the COVID-19 pandemic. From FY 2020 through FY 2021, the County saw a 15% average increase in number of homes constructed month over month.

Continuing development trends, both in terms of population and economic growth, are strongly influenced by the ongoing suburbanization of Spalding County. The issuance of single-family housing permits continued to increase from 191 permits in 2016 to 246 during 2020. This year the County expects to see ~380 new single-family permits for 2021. The average square footage of new single-family homes this year is 3,243 square feet, a 51% increase compared to 2016. 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 are finalizing a second entrance in 2021 in addition to submitting final plats for four new pods. Out of the planned 49 pods in Sun City Peachtree, 25 pods are either complete or are in development. Additional growth within the county include; Roberts Run–Phases 1-3 (15 lots), Romines (2 lots), Rocky Creek (2 lots), Perez (4 lots), Moore Estates (2 lots), Village at Heron Bay–Phases 1& 2 (259 lots), Holiday Pass–Phase 2 (40 lots), Stonebriar–Phases 3 & 4 (129 lots), Crestwick–Phase 2 (21 lots). Development in the review stage, includes; Flint Mill–Phase 2 (60 lots), Vineyard Park (78 lots), and Big Pines Farm (247 lots). 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 8 miles from the Highway 16 and I-75 interchange. Rinnai permitted their nearly 400,000 square foot building in 2020 and MKDA is currently in the final stages of construction for their nearly 70,000 square foot building. Toppan Printing, Otsuka Chemical, and Rinnai have expanded their facilities since opening in the industrial park. The Development Authority has commitments on the remaining sites in The Lakes and is searching for future Industrial Park locations.

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 Supplemental Environmental Assessment (SEA) and the FAA issued a FONSI (Finding Of No Significant Impact) in the second quarter of 2021. The ALAPP is on its way through the multi-agency review process and should receive final approval in late 2021. 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 continues through 2021. Following Land Acquisition, the Airport Authority will move into demolition, followed by land clearing, grading and installation of drainage controls. Soon after, runway and taxiway construction will begin.

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, pickleball, and sports clay shooting, 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 (4) 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 and Saturday, November 20, 2021 Spalding County hosted the C-tier PDGA-sanctioned singles disc golf tournament. September 15-19, 2021, the County hosted the USA Pickleball Sanctioned APP Atlanta Metro Open Pickleball Tournament televised on ESPN with competing teams from across the nation.

Spalding County Parks & Leisure Services received the Outstanding Project of the Year (Quarry' Edge Park) and Special Event of the Year (Senior Adopt a Dog Day) awards from District Four Georgia Recreation and Park Association (GRPA) in 2021. Fairmont Community Center received an Innovative Program grant for \$1,000 from GRPA for "The Right Aim Photography" program. While our Spalding County Youth Football teams, Bulldog 6U, 9U, and 12U each won first place in the regional league championships.

The economic forecast for Spalding County indicates a continuation of these trends while our community focus is on our joint strategic plan of achieving prosperity, economic development, education, housing, and public safety. 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, continue to work together with our engineering partner Croy Engineering to update our Joint City of Griffin-Spalding County Comprehensive Transportation Plan 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 66 months of collections have exceeded estimates by 19.22 % 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. 90% of the bonded projects are completed and the remaining projects are well underway. Completed bonded projects include the construction of a Pickleball tournament complex at Wyomia Tyus Park, 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.

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 stakeholder 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. These three governmental units continue to hold annual retreats and quarterly meetings of government staff and elected officials facilitated by the University of Georgia to develop and assess our united action plans.

Through the Archway program, from Fall 2020 to Spring 2021, the Griffin+Spalding community worked on an innovative plan to enhance the quality of life for all members of Griffin+Spalding County through cooperative action. The research findings revealed strong consensus among all facets of the community and based on those results, local elected officials and the Archway Partnership Executive Committee focused on five specific areas to move the community forward. These areas were: Achieving Prosperity, Economic Development, Education, Housing, and Public Safety. Committees comprised of public employees and community members collectively developed realistic yet aspirational objectives and actions to address each of the five priority areas.

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 2021 General Fund actual revenues were more than appropriations (\$51,745,735 versus \$51,168,394) and actual expenditures were less than appropriations (\$53,923,074 versus \$59,706,847). Although the County budgeted to use a total of \$7,923,568 to close the budget gap the final tally indicated a need to transfer only \$1,908,207.


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 Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2020. This was the twentieth 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 ACFR 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 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,

A handwritten signature in blue ink, appearing to read "Steve Ledbetter", with a long horizontal flourish extending to the right.

Steve Ledbetter, PhD
County Manager

A handwritten signature in blue ink, appearing to read "Jinna L. Garrison", with a long horizontal flourish extending to the right.

Jinna L. Garrison, CPA
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spalding County
Georgia**

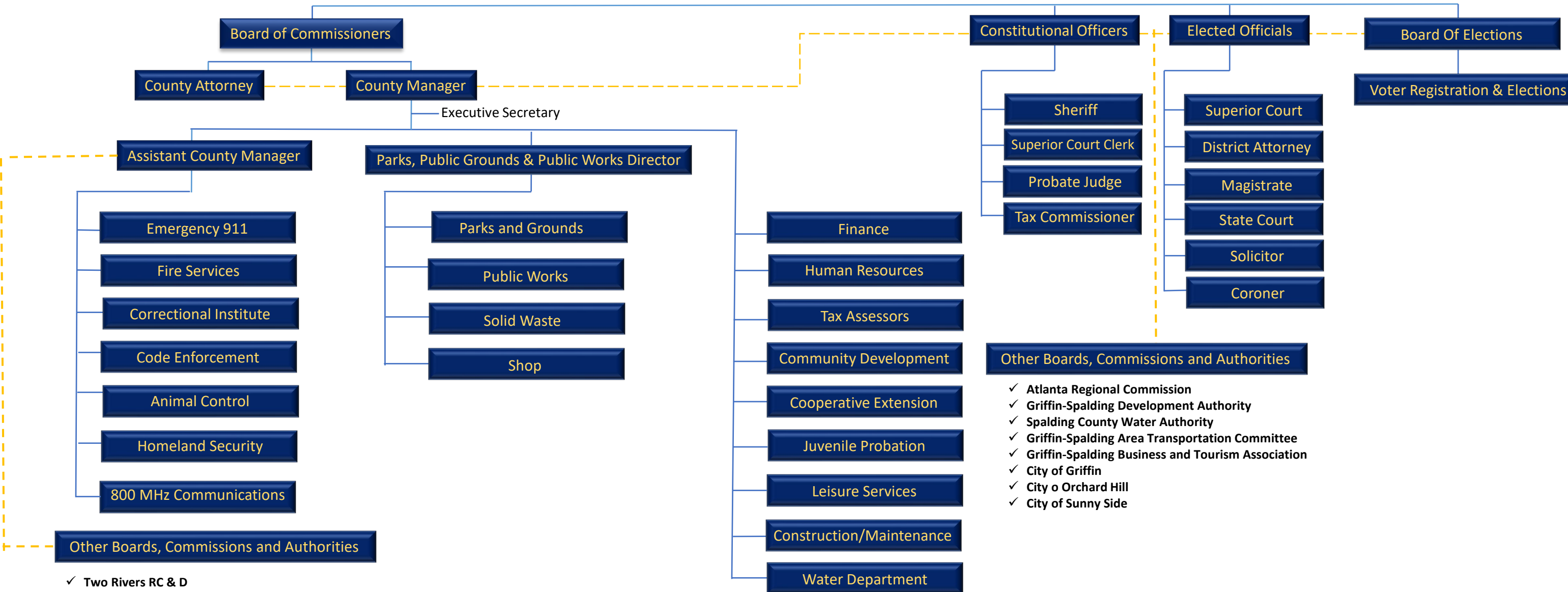
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Citizens of Spalding County



✓ Two Rivers RC & D



SPALDING COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2021

BOARD OF COMMISSIONERS

Clay Davis, Chairman
James R. Dutton, Vice-Chairman
Ryan Bowlden
Gwen Flowers-Taylor
Rita C. Johnson

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

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, 2021, 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 Board of Health and the Griffin-Spalding County Development Authority, whose statements reflect total assets of \$1,724,431 and \$14,737,285, respectively, total net position of \$315,557 and \$14,713,002, respectively, and total revenues of \$1,609,785 and \$474,146, respectively, which collectively represent 29.44%, 32.86%, and 18.17%, 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 Board of 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Fire District Fund, and American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the County's activities previously reported as agency funds. Our opinion s are not modified with respect to this matter.

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 14), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (page 76), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 77), and the Schedule of County Contributions (page 78) 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 schedule of state contractual assistance – DHR, 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, the schedules of special purpose local option sales tax proceeds, and the schedule of state contractual assistance – DHR 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, the schedules of special purpose local option sales tax proceeds, and the schedule of state contractual assistance – DHR 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 20, 2021, 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 20, 2021

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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, 2021. 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 \$90,129,463 (net position), a decrease of \$364,594 in comparison with the prior year. Of this amount, \$80,199,921 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. \$25,942,428 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 the County's ongoing obligations to citizens and creditors, is a deficit of \$16,012,886. In January 2019 the County implemented an enhanced defined benefit plan which increased net pension liability. Also, in the current fiscal year the total other post-employment benefit liability increased substantially due to fluctuation in the discount rate.
- At June 30, 2021, the County's governmental funds reported combined ending fund balances of \$37,914,929, a decrease of \$287,842 or .75% in comparison with the prior year. Of this amount, \$5,423,331 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2021, the County's General Fund reported a total fund balance of \$10,298,250, a decrease of \$1,908,207 over the prior year. The General Fund's unassigned fund balance was \$5,439,610, a decrease of \$2,338,142 or 30.06% in comparison with the prior year. Master equipment lease purchase proceeds received in the prior fiscal year were spent during fiscal year 2021 on lighting retrofits and HVAC improvements in various County buildings and the Law Enforcement Complex roof replacement.
- The 2016 Special Purpose Local Option Sales Tax ("SPLOST") Debt Service Fund and 2016 SPLOST Capital Projects Fund closed fiscal year 2021 with fund balances of \$3,636,201 and \$9,264,715, respectively. The County's 2016 SPLOST generated a total of \$6,800,552 in sales tax revenues during fiscal year 2021. The 2016 SPLOST is being used to retire outstanding City of Griffin and Spalding County debt as well as various other City and County projects and will end in March 2022.
- On March 11, 2021, the American Rescue Plan Act was signed into law by President Biden creating the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. The County was allotted a total of \$12,956,276, of which 50% was funded in fiscal year 2021. These funds have been placed in a special revenue fund pending future appropriation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

The Management's Discussion and Analysis ("MD&A") 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.

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 15 – 17 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 21 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 Debt Service, 2016 SPLOST Capital Projects and American Rescue Plan Act ("ARPA") funds which are considered to be major funds. Data from the other 16 governmental funds are combined into a single aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general, special revenue, and capital projects funds. A budgetary comparison statement has been provided for the General Fund, Fire District Fund and ARPA Fund to demonstrate compliance with this budget. These statements are found on pages 23 – 27. The basic governmental fund financial statements can be found on pages 17 – 21. Budgetary comparisons have also been included in the combining statements for other governmental funds with legally adopted annual budgets.

Proprietary Funds. The County uses an internal service fund to account for its Workers' Compensation Trust Fund. Internal service funds are an accounting method used to accumulate and allocate costs internally among the County's various functions. 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 28 – 30 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 reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary assets and liabilities can be found on pages 31 and 32 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 – 75 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 76 – 78 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 79 – 103 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 Spalding County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$90,129,463 at the close of the most recent fiscal year.

Spalding County's Net Position – Governmental Activities

	2021	2020
Current and other assets	\$ 49,278,063	\$ 43,047,545
Capital assets	92,785,103	93,481,428
Total assets	<u>142,063,166</u>	<u>136,528,973</u>
Deferred outflow of resources	<u>4,124,515</u>	4,081,860
Long-term liabilities outstanding	35,213,186	38,137,155
Other liabilities	13,767,530	6,409,729
Total liabilities	<u>48,980,716</u>	<u>44,546,884</u>
Deferred inflow of resources	<u>7,077,502</u>	<u>5,569,892</u>
Net position:		
Net investment in capital assets	80,199,921	77,247,114
Restricted	25,942,428	24,128,257
Unrestricted	(16,012,886)	(10,881,314)
Total net position	<u>\$ 90,129,463</u>	<u>\$ 90,494,057</u>

Current and other assets increased by \$6,230,518 from the prior year due primarily to the funds received through the Coronavirus SLFRF program. These funds also account for the majority of the \$7,357,801 increase in other liabilities over the previous year. Long-term liabilities, which consist of bonds, certificates of participation, leases, compensated absences and post-employment benefit obligations, decreased by \$2,923,969 due primarily to debt repayment.

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the County's net position (88.98%) 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.

An additional portion of the County's net position (28.76%) 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 \$16,012,886 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 \$4,308,769 from the prior year.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$364,594 over the prior fiscal year for an ending balance of \$90,129,463. Key elements of the decrease in net position are as follows:

Spalding County's Changes in Net Position

	2021	2020
Revenues		
Program revenues:		
Charges for services	\$ 12,066,418	\$ 11,856,043
Operating grants and contributions	3,704,577	2,933,777
Capital grants and contributions	1,394,507	345,137
General revenues:		
Property taxes	30,772,322	29,768,448
Other taxes	23,067,345	20,235,784
Investment income	112,983	112,983
Total revenues	<u>71,118,152</u>	<u>65,252,172</u>
Expenses		
General government	12,527,377	9,864,438
Judicial	5,400,942	6,428,585
Public safety	38,922,165	42,576,772
Public works	6,190,601	7,132,495
Health and welfare	1,150,150	1,115,190
Culture and recreation	3,951,680	4,293,452
Housing and development	2,751,724	1,654,013
Interest on long-term debt	588,107	567,532
Total expenses	<u>71,482,746</u>	<u>73,632,477</u>
Change in net position	(364,594)	(8,380,305)
Net position, beginning of year	90,494,057	98,874,362
Net position, end of year	<u>\$ 90,129,463</u>	<u>\$ 90,494,057</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities total revenues were \$71,118,152 at June 30, 2021, an increase of \$5,865,980, or 8.99% over the prior year. Operating grants and capital grants increased substantially over the previous fiscal year primarily due to federal and state grants for COVID-19 relief.

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections for the year increased and provided 43.26% of total revenues during 2021 as compared to 45.62% in 2020. The net tax digest increased 4.15% over the previous year as a result of the currently robust real estate market. This allowed for a slight reduction in the millage rate. Sales tax collections increased \$1,775,773 over the prior year and provided 19.94% of total revenues during fiscal year 2021 as compared to 19.02% in fiscal year 2020. Special Purpose Local Option Sales Tax ("SPLOST") collections continue to exceed estimates and are expected to continue to increase in the coming years due to the improving economy. Vehicle taxes, which include title and ad valorem taxes, increased \$561,261 over the previous year.

Governmental activities total expenses were \$71,482,746 at the end of fiscal 2021, a decrease of \$2,149,731, or 2.92% over the prior year. This decrease is attributed mainly to a reduction in outstanding debt and a decrease in the County's net pension liability.

Key elements of changes from the prior year were in the following functional areas:

- General government expenses increased \$2,662,939.
- Judicial expenses decreased \$1,027,643.
- Public safety expenses decreased \$3,654,607.
- Public works expenses decreased \$941,894.
- Health and welfare expenses increased \$34,960.
- Culture and recreation decreased \$341,772.
- Housing and development expenses increased \$1,097,711.
- Interest on long-term debt increased \$20,575.

Financial Analysis of the Government's Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$37,914,929, a decrease of \$287,842 in comparison with the prior year. Approximately 14.30% of this total amount \$5,423,331 constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, \$27,355,547 is restricted for public safety, capital projects, and debt service and \$5,136,051 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 decreased by \$1,908,207 to \$10,298,250. Unassigned fund balance of the general fund decreased by \$2,338,142 from the prior year to \$5,439,610. The County acquired funding for major equipment replacement and a new roof at the Law Enforcement Complex at the end of fiscal 2020 and completed the projects during fiscal 2021. 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 10.09% of total general fund expenditures, while total fund balance represents 19.10% of that same amount.

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 \$4,508,868, which is an increase of \$903,269 over the previous year. The primary reason for the increase in fund balance is a combination of an increase in Insurance Premium Tax proceeds and management's increased oversight in spending.

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 2021 this fund had a restricted fund balance of \$3,636,201, a decrease of \$565,171. 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, 2021.

The 2016 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2016 General Obligation Sales Tax Bonds and the 2016 1% SPLOST. 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 2021 this fund had a restricted fund balance of \$9,264,715, which is a decrease of \$81,462 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The ARPA accounts for pandemic relief funding received from the federal government. The County received 50% of the funding in fiscal year 2021 and has not appropriated any funds to any projects.

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 \$426,868 at the end of fiscal year 2021, a decrease of \$271,373. This is due to an increase in workers compensation claims payable at the end of the fiscal year.

General Fund Budgetary Highlights

Original budget compared to final budget. The County typically makes budget amendments throughout the year to allow for lease purchases and lease proceeds and appropriations for any atypical expenditures that may arise. The net differences between the General Fund expenditures original budget and the final amended budget were \$8,003,791 and can be summarized as follows:

- Increase in general government activities - \$5,286,627, due primarily to completion of lighting retrofits and HVAC improvements in various County buildings, replacement of the roof on the Law Enforcement Complex, and a one-time payment to employees for hazard pay using CARES funds;
- Increase in judicial functions - \$351,586, due primarily to Courthouse improvements enhancing COVID-19 safety and CARES hazard pay;
- Increase in public safety functions - \$1,531,347, due primarily to capital asset purchases for the Sheriff's department, building maintenance at the Correctional Institution and CARES hazard pay;
- Increase in public works functions - \$548,151, due to capital asset purchases and CARES hazard pay;
- Increase in health and welfare functions - \$11,654 due primarily to the re-appropriation of fiscal year 2020 unused funds in the DFACS budget;
- Increase in culture and recreation functions - \$70,795 due primarily to capital asset purchases and CARES hazard pay;
- Increase in housing and development functions - \$219,271 due primarily to outsourcing building permitting and inspection, infrastructure improvements funded with a Community Development Block Grant and CARES hazard pay.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Final budget compared to actual results. Actual General Fund revenues of \$51,745,735 were greater than final budgeted revenues of \$51,168,394 by \$577,341. The most significant variance between estimated revenues and actual revenues was a \$1,572,784 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 2021 collection rate for property taxes was 93.56%. This shortfall in property taxes was offset by the positive variance between budget and actual in sales taxes of \$1,382,985 and vehicle taxes of \$892,827.

Actual General Fund expenditures of \$53,923,074 were less than final budgeted expenditures of \$59,706,847 by \$5,783,773. This was due to management oversight in spending due to the uncertainty of the effect of the Coronavirus pandemic. The deficiency of revenues under expenditures in the amount of \$2,177,339 plus \$269,132 in net other financing uses resulted in an overall decrease of \$1,908,207 in fund balance. This was expected since the County showed a large increase in fund balance in the previous fiscal year due to the receipt of equipment lease funds at the end of the fiscal year. Also, at the end of fiscal year 2021, as in previous years, there was over \$1 million in public safety lapsed salaries and benefits due to the County's inability to compete in the metro Atlanta salary marketplace. In order to be more competitive, the County implemented a new pay and classification plan and an enhanced pension plan during fiscal year 2020.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$92,785,103 (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)

	<u>Governmental Activities</u> <u>2021</u>	<u>Governmental Activities</u> <u>2020</u>
Land	\$ 3,132,527	\$ 3,132,527
Construction in progress	3,031,385	2,142,397
Land improvements	4,280,713	4,453,479
Buildings and improvements	24,133,005	25,062,558
Machinery and equipment	15,027,550	16,453,197
Furniture and fixtures	28,084	31,092
Intangibles	144,184	147,883
Infrastructure (roads)	43,007,655	42,058,295
Total	<u>\$ 92,785,103</u>	<u>\$ 93,481,428</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall, governmental capital assets decreased by a net amount of \$696,325 during 2021. 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 \$5,011,514.

Total depreciable governmental capital assets added during 2021 amounted to \$1,840,684. Capital asset additions consisted of the following:

- \$91,889 in machinery and equipment for general government purposes;
- \$52,864 in machinery and equipment for judicial purposes;
- \$605,133 in vehicles and equipment for public safety purposes;
- \$171,074 in vehicles and equipment for public works purposes;
- \$14,694 in equipment for culture and recreation purposes; and
- \$905,030 in donated subdivision roads accepted by the County.

Additional information on the County's capital assets can be found in Note 6 on pages 51 and 52 of this report.

Long-term Debt. At the end of the current fiscal year, the County had \$6,059,922 in total bonded debt outstanding, including premiums. The issuance is in the form of general obligation bonds related to the 2016 SPLOST 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 \$162,541,494, which is significantly in excess of the County's outstanding general obligation debt.

Spalding 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 53 – 59 of this report.

Economic Factors and Next Year's Budgets

The following economic factors currently affect the County and were considered in developing the fiscal 2022 budget:

- The unemployment rate for the County is currently 5.2%, which is a decrease from a rate of 8.9% one year ago. The unemployment rate for the State of Georgia at June 30, 2021, is 4.0%.
- The County's sales tax revenues have steadily increased each of the last four fiscal years and during fiscal year 2021. Title Ad Valorem Tax revenues increased significantly over the prior year. The County is hopeful this positive revenue trend will continue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The 2020 tax digest increased \$67,164,439, or 4.15% from January 1, 2019 to January 1, 2020. The increase from January 1, 2020 to January 1, 2021 was \$129,667,976, or 7.70%. 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, 2020 which significantly increased the County's projected annual pension contribution.

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 \$5,439,610. The County has assigned \$4,148,683 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, 2021. Title V of the CARES Act created the Coronavirus Relief Fund ("CRF") to provide financial resources to state and local governments. On June 29, 2021 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, 2021 and the remaining 70% of funding on September 8, 2021. The CRF proceeds were used to fund Firefighter and Uniform Road Patrol salaries for March 1, 2021 through August 10, 2021.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2021

	Primary Government	Component Units		
	Governmental Activities	Board of Health	Development Authority	Water Authority
ASSETS				
Cash and cash equivalents	\$ 42,283,033	\$ 1,017,327	\$ 1,347,912	\$ 15,356,223
Investments	2,661,988	488,252	1,250,000	-
Property taxes receivable	1,320,370	-	-	-
Accounts receivable	796,480	57,625	26,929	1,227,796
Due from other governments	1,610,623	51,865	-	-
Due from primary government	-	-	-	3,540
Restricted assets:				
Bond sinking fund	-	-	-	1,029,805
Fair value of interest rate swap	605,569	-	-	-
Capital assets, non-depreciable	6,163,912	-	11,650,903	890,851
Capital assets, depreciable (net of accumulated depreciation)	86,621,191	16,593	461,541	20,948,839
Net OPEB asset	-	92,769	-	-
Total assets	142,063,166	1,724,431	14,737,285	39,457,054
DEFERRED OUTFLOWS OF RESOURCES				
Pension	3,768,014	222,409	-	-
Other post-employment benefit	356,501	148,043	-	-
Total deferred outflows of resources	4,124,515	370,452	-	-
LIABILITIES				
Accounts payable	1,657,214	5,144	-	46,705
Accrued liabilities	612,673	-	-	1,438
Accrued interest payable	167,763	-	-	95,108
Unearned revenue	6,478,138	-	-	-
Due to other governments	38,415	-	-	-
Due to primary government	-	-	11,995	-
Due to component unit	3,540	-	-	-
Claims payable due within one year	149,518	-	-	-
Claims payable due in more than one year	231,992	-	-	-
Capital leases due within one year	505,986	-	-	-
Capital leases due in more than one year	4,937,157	-	-	-
Bonds payable due within one year	2,930,000	-	12,288	905,000
Bonds payable due in more than one year	3,129,922	-	-	7,683,642
Compensated absences due within one year	837,223	23,349	-	13,109
Compensated absences due in more than one year	558,157	54,481	-	8,740
Certificates of participation due in more than one year	2,500,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due within one year	250,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due in more than one year	2,320,000	-	-	-
Landfill due within one year	137,060	-	-	-
Landfill due in more than one year	241,260	-	-	-
Total other post-employment benefit liability due in more than one year	4,097,027	275,081	-	-
Net pension liability due in more than one year	17,197,671	1,144,445	-	-
Total liabilities	48,980,716	1,502,500	24,283	8,753,742
DEFERRED INFLOWS OF RESOURCES				
Pension	4,485,313	-	-	-
Other post-employment benefit	1,986,620	276,826	-	-
Accumulated increase in fair value of hedging activities	605,569	-	-	-
Total deferred inflows of resources	7,077,502	276,826	-	-
NET POSITION				
Net investment in capital assets	80,199,921	16,593	12,112,444	13,251,048
Restricted for:				
Grant purposes	22,346	-	-	-
Judicial	519,231	-	-	-
Public safety	5,624,097	-	-	-
Capital projects	14,970,767	-	-	-
Debt service	4,542,367	-	-	-
Housing and development	119,198	-	-	-
Health and welfare	144,422	-	-	-
Other purposes	-	172,866	-	-
Unrestricted	(16,012,886)	126,098	2,600,558	17,452,264
Total net position	\$ 90,129,463	\$ 315,557	\$ 14,713,002	\$ 30,703,312

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 12,527,377	\$ 1,772,658	\$ 182,848	\$ 19,265
Judicial	5,400,942	2,254,470	125,453	36,812
Public safety	38,922,165	6,133,089	2,600,264	945
Public works	6,190,601	363,024	100,299	678,031
Health and welfare	1,150,150	-	691,018	-
Culture and recreation	3,951,680	506,196	4,695	-
Housing and development	2,751,724	1,036,981	-	659,454
Interest on long-term debt	588,107	-	-	-
Total primary government	<u>\$ 71,482,746</u>	<u>\$ 12,066,418</u>	<u>\$ 3,704,577</u>	<u>\$ 1,394,507</u>
Component units:				
Board of Health	\$ 1,466,029	\$ 575,881	\$ 1,030,726	\$ -
Development Authority	1,031,463	-	444,002	-
Water Authority	7,206,466	9,382,775	-	-
Total component units	<u>\$ 9,703,958</u>	<u>\$ 9,958,656</u>	<u>\$ 1,474,728</u>	<u>\$ -</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 Governmental Activities	Component Units			
	Board of Health	Development Authority	Water Authority	
\$ (10,552,606)	\$ -	\$ -	\$ -	
(2,984,207)	-	-	-	
(30,187,867)	-	-	-	
(5,049,247)	-	-	-	
(459,132)	-	-	-	
(3,440,789)	-	-	-	
(1,055,289)	-	-	-	
(588,107)	-	-	-	
(54,317,244)	-	-	-	
-	140,578	-	-	
-	-	(587,461)	-	
-	-	-	2,176,309	
-	140,578	(587,461)	2,176,309	
30,772,322	-	-	-	
371,329	-	-	-	
3,734,827	-	-	-	
14,183,537	-	-	-	
735,220	-	-	-	
2,976,270	-	-	-	
277,764	-	-	-	
788,398	-	-	-	
112,983	3,178	30,144	686	
53,952,650	3,178	30,144	686	
(364,594)	143,756	(557,317)	2,176,995	
90,494,057	171,801	15,270,319	28,526,317	
\$ 90,129,463	\$ 315,557	\$ 14,713,002	\$ 30,703,312	

SPALDING COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

	General	Fire District	2016 SPLOST Debt Service	2016 SPLOST Capital Projects
ASSETS				
Cash and cash equivalents	\$ 9,386,763	\$ 4,486,685	\$ 3,038,114	\$ 10,379,111
Investments	-	-	-	-
Property taxes receivable, net	1,085,154	235,216	-	-
Accounts receivable	328,788	3,603	-	48
Due from other governments	898,311	-	598,087	-
Due from other funds	1,234,997	44,215	-	-
Total assets	<u>\$ 12,934,013</u>	<u>\$ 4,769,719</u>	<u>\$ 3,636,201</u>	<u>\$ 10,379,159</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,031,714	\$ 27,125	\$ -	\$ 127,525
Accrued liabilities	586,046	20,625	-	-
Due to other funds	69,857	-	-	986,919
Due to other governments	-	-	-	-
Due to component unit	2,040	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>1,689,657</u>	<u>47,750</u>	<u>-</u>	<u>1,114,444</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	<u>946,106</u>	<u>213,101</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>946,106</u>	<u>213,101</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Restricted for:				
Grant purposes	-	-	-	-
Judicial	-	-	-	-
Public safety	-	4,388,965	-	-
Capital projects	-	-	-	9,264,715
Debt service	-	-	3,636,201	-
Housing and development	-	-	-	-
Health and welfare	-	-	-	-
Assigned for:				
General government	31,742	-	-	-
Public safety	78,727	119,903	-	-
Public works	32,130	-	-	-
Culture and recreation	27,355	-	-	-
Housing and development	18,000	-	-	-
Capital projects	-	-	-	-
Sales taxes	508,660	-	-	-
Tricentennial Celebration	1,986	-	-	-
Memorial Gifts	11,357	-	-	-
Subsequent year's budget	4,148,683	-	-	-
Unassigned	<u>5,439,610</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>10,298,250</u>	<u>4,508,868</u>	<u>3,636,201</u>	<u>9,264,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,934,013</u>	<u>\$ 4,769,719</u>	<u>\$ 3,636,201</u>	<u>\$ 10,379,159</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 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.

American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,478,138	\$ 8,514,222	\$ 42,283,033
-	1,651,261	1,651,261
-	-	1,320,370
-	452,211	784,650
-	114,225	1,610,623
-	41,388	1,320,600
<u>\$ 6,478,138</u>	<u>\$ 10,773,307</u>	<u>\$ 48,970,537</u>
\$ -	\$ 256,671	\$ 1,443,035
-	6,002	612,673
-	263,824	1,320,600
-	38,415	38,415
-	1,500	3,540
<u>6,478,138</u>	<u>-</u>	<u>6,478,138</u>
<u>6,478,138</u>	<u>566,412</u>	<u>9,896,401</u>
-	-	1,159,207
-	-	1,159,207
-	22,346	22,346
-	519,231	519,231
-	1,230,368	5,619,333
-	7,123,935	16,388,650
-	906,166	4,542,367
-	119,198	119,198
-	144,422	144,422
-	-	31,742
-	-	198,630
-	-	32,130
-	-	27,355
-	-	18,000
-	157,508	157,508
-	-	508,660
-	-	1,986
-	-	11,357
-	-	4,148,683
-	(16,279)	5,423,331
-	10,206,895	37,914,929
<u>\$ 6,478,138</u>	<u>\$ 10,773,307</u>	
		92,785,103
		553,638
		(39,203,657)
		3,768,014
		(4,485,313)
		356,501
		(1,986,620)
		426,868
		<u>\$ 90,129,463</u>

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General	Fire District	2016 SPLOST Debt Service	2016 SPLOST Capital Projects
REVENUES				
Property taxes	\$ 26,978,146	\$ 4,079,427	\$ -	\$ -
Alcoholic beverage taxes	371,329	-	-	-
Vehicle taxes	3,734,827	-	-	-
Sales taxes	7,382,985	-	2,564,035	4,236,517
Other taxes	1,426,217	3,073,671	-	-
Licenses and permits	978,071	-	-	-
Intergovernmental	1,758,270	1,658,414	-	-
Charges for services	4,998,440	-	-	-
Court fees, fines and forfeitures	1,597,683	-	-	-
Interest	3,358	-	44	700
Contributions and donations	4,695	-	-	-
Rentals	190,396	-	-	-
Other	2,321,318	520	-	-
Total revenues	<u>51,745,735</u>	<u>8,812,032</u>	<u>2,564,079</u>	<u>4,237,217</u>
EXPENDITURES				
Current:				
General government	12,169,046	-	-	-
Judicial	4,998,526	-	-	-
Public safety	26,548,878	6,469,462	-	-
Public works	4,696,304	-	-	-
Health and welfare	440,932	-	-	-
Culture and recreation	2,952,576	-	-	-
Housing and development	1,788,002	-	-	-
Capital outlay	-	86,744	-	4,317,679
Debt service:				
Principal	169,000	-	2,870,000	-
Interest	159,810	-	259,250	1,000
Total expenditures	<u>53,923,074</u>	<u>6,556,206</u>	<u>3,129,250</u>	<u>4,318,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,177,339)</u>	<u>2,255,826</u>	<u>(565,171)</u>	<u>(81,462)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,046,615	40,447	-	-
Transfers out	(1,777,483)	(1,393,004)	-	-
Total other financing sources (uses)	<u>269,132</u>	<u>(1,352,557)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,908,207)	903,269	(565,171)	(81,462)
FUND BALANCES, beginning of year	<u>12,206,457</u>	<u>3,605,599</u>	<u>4,201,372</u>	<u>9,346,177</u>
FUND BALANCES, end of year	<u>\$ 10,298,250</u>	<u>\$ 4,508,868</u>	<u>\$ 3,636,201</u>	<u>\$ 9,264,715</u>

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

American Rescue Plan Act (ARPA)	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 31,057,573
-	-	371,329
-	-	3,734,827
-	-	14,183,537
-	277,764	4,777,652
-	-	978,071
-	1,352,570	4,769,254
-	2,233,232	7,231,672
-	366,644	1,964,327
-	140,843	144,945
-	-	4,695
-	-	190,396
-	267,626	2,589,464
-	4,638,679	71,997,742
-	70,877	12,239,923
-	138,926	5,137,452
-	1,818,835	34,837,175
-	-	4,696,304
-	681,530	1,122,462
-	-	2,952,576
-	934,060	2,722,062
-	248,132	4,652,555
-	245,000	3,284,000
-	221,015	641,075
-	4,358,375	72,285,584
-	280,304	(287,842)
-	1,844,451	3,931,513
-	(761,026)	(3,931,513)
-	1,083,425	-
-	1,363,729	(287,842)
-	8,843,166	38,202,771
\$ -	\$ 10,206,895	\$ 37,914,929

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, 2021

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

Net change in fund balances - total governmental funds	\$	(287,842)
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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.

	(696,325)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

	(285,251)
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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.

	3,533,037
--	-----------

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.

	(2,356,840)
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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.

	(271,373)
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Change in net position - governmental activities	\$	<u>(364,594)</u>
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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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 28,109,198	\$ 28,550,930	\$ 26,978,146	\$ (1,572,784)
Alcoholic beverage taxes	351,000	351,000	371,329	20,329
Vehicle taxes	2,842,000	2,842,000	3,734,827	892,827
Sales taxes	6,000,000	6,000,000	7,382,985	1,382,985
Other taxes	1,155,000	1,155,000	1,426,217	271,217
Licenses and permits	525,600	700,600	978,071	277,471
Intergovernmental	1,012,500	1,862,409	1,758,270	(104,139)
Charges for services	5,696,047	5,726,377	4,998,440	(727,937)
Court fees, fines and forfeitures	1,754,500	1,754,500	1,597,683	(156,817)
Interest	45,000	45,000	3,358	(41,642)
Contributions and donations	-	1,200	4,695	3,495
Rentals	193,730	193,730	190,396	(3,334)
Other	1,922,700	1,985,648	2,321,318	335,670
Total revenues	49,607,275	51,168,394	51,745,735	577,341
EXPENDITURES				
Current				
General government:				
Board of commissioners	476,180	607,110	579,361	27,749
Board of elections	319,020	570,993	553,754	17,239
Administration	477,579	484,366	466,109	18,257
Finance	160,222	164,098	162,152	1,946
Information systems	105,500	378,105	345,084	33,021
Human resources	227,741	239,117	234,473	4,644
Tax commissioner	1,169,179	1,187,911	957,541	230,370
Tax assessors	734,269	767,300	689,572	77,728
Construction and maintenance	480,744	568,170	552,309	15,861
Janitorial services	128,475	131,059	124,012	7,047
2016 SPLOST	-	-	33,890	(33,890)
Impact Fee	-	-	24,933	(24,933)
General appropriations	3,632,229	8,099,536	7,445,856	653,680
Total general government	7,911,138	13,197,765	12,169,046	1,028,719
Judicial:				
Superior court	-	294,415	137,288	157,127
Griffin judicial circuit	423,661	426,245	395,458	30,787
Clerk of court	1,058,457	1,077,189	925,911	151,278
District attorney	536,221	536,221	533,015	3,206
State court	840,245	844,121	743,184	100,937
Accountability court	187,785	189,077	148,856	40,221
Solicitor	471,201	477,660	379,704	97,956
Magistrate court	1,012,446	1,031,506	936,043	95,463
Probate court	287,391	292,559	290,322	2,237
Public defender	70,411	70,411	58,160	12,251
Public defender circuit	450,585	450,585	450,585	-
Total judicial	5,338,403	5,689,989	4,998,526	691,463

(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, 2021

EXPENDITURES (CONTINUED)	Budget		Actual	Variance With Final Budget
	Original	Final		
Current (Continued)				
Public safety:				
Sheriff	\$ 1,052,499	\$ 1,117,686	\$ 1,043,738	\$ 73,948
Victim services	84,692	86,630	79,181	7,449
Warrant division	1,304,100	1,365,160	1,256,289	108,871
Criminal investigation division	1,510,611	1,635,047	1,458,976	176,071
Uniform patrol division	3,922,434	4,412,780	3,961,546	451,234
Jail	9,408,280	9,710,916	8,687,914	1,023,002
Narcotics task force	1,206,748	1,249,216	1,168,670	80,546
Correctional institution	7,699,813	8,061,034	7,264,352	796,682
Juvenile probation	681,133	688,884	630,293	58,591
Coroner	68,842	80,488	71,084	9,404
800 MHz communication	526,102	527,394	458,338	69,056
Animal control	576,803	618,949	406,587	212,362
Homeland Security	49,056	68,276	61,910	6,366
Total public safety	28,091,113	29,622,460	26,548,878	3,073,582
Public works:				
Public works	3,385,014	3,648,990	3,434,001	214,989
Solid waste collection	841,653	1,119,369	890,666	228,703
Garage	384,164	390,623	371,637	18,986
Total public works	4,610,831	5,158,982	4,696,304	462,678
Health and welfare:				
Health	432,409	432,409	419,868	12,541
Welfare	33,000	44,654	21,064	23,590
Total health and welfare	465,409	477,063	440,932	36,131
Culture and recreation:				
Recreation	1,184,363	1,206,045	962,892	243,153
Senior citizens' bus	33,621	34,267	2,928	31,339
Parks	1,889,300	1,937,767	1,785,776	151,991
Libraries	200,980	200,980	200,980	-
Total culture and recreation	3,308,264	3,379,059	2,952,576	426,483
Housing and development:				
Cooperative extension service	195,067	199,589	187,926	11,663
Community development	816,240	1,030,989	1,044,504	(13,515)
Code enforcement	143,132	143,132	130,070	13,062
Development Authority	425,502	425,502	425,502	-
Total housing and development	1,579,941	1,799,212	1,788,002	11,210

(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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Debt service:				
Principal	\$ 221,735	\$ 221,735	\$ 169,000	\$ 52,735
Interest	160,582	160,582	159,810	772
Total debt service	382,317	382,317	328,810	53,507
 Total expenditures	 51,687,416	 59,706,847	 53,923,074	 5,783,773
 Deficiency of revenues under expenditures	 (2,080,141)	 (8,538,453)	 (2,177,339)	 6,361,114
OTHER FINANCING SOURCES (USES)				
Transfers in	112,000	2,054,267	2,046,615	(7,652)
Transfers out	(1,405,052)	(1,439,382)	(1,777,483)	(338,101)
Total other financing sources (uses)	(1,293,052)	614,885	269,132	(345,753)
 Net change in fund balances	 (3,373,193)	 (7,923,568)	 (1,908,207)	 6,015,361
 FUND BALANCES, beginning of year	 12,206,457	 12,206,457	 12,206,457	 -
 FUND BALANCES, end of year	 \$ 8,833,264	 \$ 4,282,889	 \$ 10,298,250	 \$ 6,015,361

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, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,980,178	\$ 4,165,396	\$ 4,079,427	\$ (85,969)
Other taxes	2,915,000	2,915,000	3,073,671	158,671
Intergovernmental	59,200	1,653,847	1,658,414	4,567
Other	-	-	520	520
Total revenues	<u>6,954,378</u>	<u>8,734,243</u>	<u>8,812,032</u>	<u>77,789</u>
EXPENDITURES				
Current:				
Public safety	7,144,925	7,386,187	6,469,462	916,725
Capital outlay	-	135,335	86,744	48,591
Total expenditures	<u>7,144,925</u>	<u>7,521,522</u>	<u>6,556,206</u>	<u>965,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,547)</u>	<u>1,212,721</u>	<u>2,255,826</u>	<u>1,043,105</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	40,447	40,447
Transfers out	(31,442)	(1,399,464)	(1,393,004)	6,460
Total other financing uses, net	<u>(31,442)</u>	<u>(1,399,464)</u>	<u>(1,352,557)</u>	<u>46,907</u>
Net change in fund balances	(221,989)	(186,743)	903,269	1,090,012
FUND BALANCES, beginning of year	<u>3,605,599</u>	<u>3,605,599</u>	<u>3,605,599</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,383,610</u>	<u>\$ 3,418,856</u>	<u>\$ 4,508,868</u>	<u>\$ 1,090,012</u>

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

SPALDING COUNTY, GEORGIA

AMERICAN RESCUE PLAN ACT STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 6,478,138	\$ -	\$ (6,478,138)
Total revenues	-	6,478,138	-	(6,478,138)
EXPENDITURES				
Current:				
Health and welfare	-	6,478,138	-	6,478,138
Total expenditures	-	6,478,138	-	6,478,138
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -	\$ -

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2021

	Governmental Activities - Internal Service Funds Workers' Compensation
ASSETS	
CURRENT ASSETS	
Investments	\$ 1,010,727
Accounts receivable	11,830
Total current assets	1,022,557
Total assets	1,022,557
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	214,179
Claims payable	149,518
Total current liabilities	363,697
NON-CURRENT LIABILITIES	
Claims payable, net of current portion	231,992
Total non-current liabilities	231,992
Total liabilities	595,689
NET POSITION	
Unrestricted	426,868
Total net position	\$ 426,868

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, 2021

	Governmental Activities - Internal Service Funds Workers' Compensation
OPERATING REVENUES	
Contributions	\$ 428,292
Total operating revenues	428,292
OPERATING EXPENSES	
Administration and other costs	105,326
Total operating expenses	105,326
Operating income	322,966
NON-OPERATING REVENUES (EXPENSES)	
Interest income	25,804
Other expenses	(620,143)
Total non-operating expenses, net	(594,339)
Change in net position	(271,373)
NET POSITION, beginning of year	698,241
NET POSITION, end of year	\$ 426,868

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, 2021

	Governmental Activities Internal Service Funds Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	\$ 428,292
Receipts from insurance claims	361,837
Payments to suppliers for services provided	(105,326)
Net cash provided by operating activities	684,803
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(114,988)
Interest on investments	(594,339)
Net cash used in investing activities	(709,327)
Net change in cash and cash equivalents	(24,524)
Cash and cash equivalents, beginning of year	24,524
Cash and cash equivalents, end of year	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 322,966
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Increase in accounts receivable	(4,041)
Increase in claims payable	365,878
Net cash provided by operating activities	\$ 684,803

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2021

		Custodial Funds
	ASSETS	
Cash		\$ 1,802,110
Taxes receivable		2,375,026
Accounts receivable		27,122
		<hr/>
Total assets		\$ 4,204,258
	LIABILITIES	
Due to others		\$ 3,282,966
	NET POSITION	
Restricted for individuals, organizations, and other governments		\$ 921,292

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

SPALDING COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2021

		Custodial Funds
	ADDITIONS	
Taxes collected		\$ 35,687,805
Fines and fees collected		1,332,792
Total additons		<u>37,020,597</u>
	DEDUCTIONS	
Taxes disbursed		35,749,671
Fines and fees disbursed		1,278,204
Total deductions		<u>37,027,875</u>
Change in net position		(7,278)
Net position, beginning of year, as restated		<u>928,570</u>
Net position, end of year		<u><u>\$ 921,292</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, 2021

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 Board of Health, 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 Board of Health 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 Board of Health which is administered by the appointed Board of the Board of Health. The Board of Health is presented as a governmental fund type component unit.

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

The Development Authority is responsible for promoting industrial and commercial development within the City 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.

The **American Rescue Plan Act ("ARPA") Fund** accounts for the financial resources provided and subsequently expended from the American Rescue Plan grant received from the federal government.

Additionally, the County reports the following fund types:

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

The **Custodial Funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Custodial 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 three 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 net pension liability and 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 five 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 and OPEB 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 total OPEB liability, are also recorded as deferred inflows of resources and are amortized into OPEB 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 and grants 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:

- **Non-spendable** – Fund balances are reported as non-spendable 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

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

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

General obligation bonds payable	\$ (5,930,000)
Plus: Issuance premium (to be amortized against interest expense)	(129,922)
Certificates of participation	(2,500,000)
Less: Fair value of interest rate swap	605,569
Capital leases	(5,443,143)
Due to Griffin-Spalding County Airport Authority	(2,570,000)
Landfill post-closure costs	(378,320)
Net pension liability	(17,197,671)
Total OPEB liability	(4,097,027)
Compensated absences	(1,395,380)
Accrued interest	(167,763)
Net adjustment to reduce <i>fund balance – total governmental funds</i>	
to arrive at <i>net position – governmental activities</i>	<u>\$ (39,203,657)</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	\$ 1,159,207
Deferred fair value of interest rate swap	(605,569)
Net adjustment to increase <i>fund balance – total governmental funds</i>	
to arrive at <i>net position – governmental activities</i>	<u>\$ 553,638</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, “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	\$ 4,315,189
Depreciation expense	(5,011,514)
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>\$ (696,325)</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:

Intergovernmental payable reduction	\$ 245,000
Premium on bond issuance	162,637
Principal repayments:	
Capital leases	169,000
Bonds payable	2,870,000
Landfill post-closure costs	<u>86,400</u>
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>\$ 3,533,037</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	\$ 29,766
Accrued interest	52,968
Total OPEB liability	(3,554,844)
Net pension liability	<u>1,115,270</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>\$ (2,356,840)</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, 2021, expenditures exceeded budget, as follows:

<u>Fund or Department</u>	<u>Excess</u>
General Fund	
Community development	\$ (13,515)
SPLOST 2016	(33,890)
Impact fees	(24,933)
Tourism Fund	(44,606)

The over expenditures in the General fund and the Tourism fund were funded by additional revenues.

C. Deficit Fund Balance

The CSBG-CARES Fund has a deficit fund balance at June 30, 2021 of \$16,279. 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, 2021, are summarized as follows:

Balances per statement of net position:

Cash and cash equivalents - Primary Government	\$ 42,283,033
Cash and cash equivalents - Water Authority	15,356,223
Investments - Primary Government	2,661,988
Restricted assets:	
Water Authority - Bond sinking fund	1,029,805
Cash - Agency funds	1,802,110
	<u>\$ 63,133,159</u>

Balances by type:

Cash deposited with financial institutions	\$ 34,423,029
Money market	26,048,142
Mutual bond funds	1,010,727
Guaranteed investment contract	1,651,261
	<u>\$ 63,133,159</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, 2021, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Money market	N/A	\$ 26,048,142
Mutual bond fund	N/A	1,010,727
Guaranteed investment contract	June 1, 2028	1,651,261
		<u>\$ 28,710,130</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, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
Mutual bond fund	\$ 1,010,727	\$ -	\$ -	\$ 1,010,727
Total investments measured at fair value	<u>\$ 1,010,727</u>	<u>\$ -</u>	<u>\$ -</u>	1,010,727
Investments not subject to level disclosure:				
Money market				26,048,142
Guaranteed investment contract				<u>1,651,261</u>
Total investments				<u>\$ 28,710,130</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, 2021, 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, 2021, 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	\$ 1,807,292	\$ 235,216	\$ -	\$ -
Accounts	328,788	3,603	48	-
Due from other governments	898,311	-	-	598,087
Gross receivables	<u>3,034,391</u>	<u>238,819</u>	<u>48</u>	<u>598,087</u>
Less: allowance for uncollectibles	722,138	-	-	-
Net total receivables	<u><u>\$ 2,312,253</u></u>	<u><u>\$ 238,819</u></u>	<u><u>\$ 48</u></u>	<u><u>\$ 598,087</u></u>
	Nonmajor Governmental	Total Governmental	Internal Service Fund	
Receivables:				
Taxes	\$ -	\$ 2,042,508	\$ -	
Accounts	452,211	784,650	11,830	
Due from other governments	114,225	1,610,623	-	
Gross receivables	<u>566,436</u>	<u>4,437,781</u>	<u>11,830</u>	
Less: allowance for uncollectibles	-	722,138	-	
Net total receivables	<u><u>\$ 566,436</u></u>	<u><u>\$ 3,715,643</u></u>	<u><u>\$ 11,830</u></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, 2020, upon which the fiscal 2021 levy was based, was the gross digest amount of \$1,901,443,100 (40% of the estimated market value of \$4,753,607,750).

The tax billing cycle for fiscal year 2021 is as follows:

Levy date	October 7, 2020
Tax bills mailed	October 30, 2020
Payment due date	December 30, 2020
Delinquency date	January 31, 2021
Lien date	May 1, 2021

The distribution of the County's levy (tax rate per \$1,000 assessed value) as of June 30, 2021, is as follows:

General government	16.138 mills
Fire district	3.610 mills
School system	16.742 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	2,142,397	2,474,505	-	(1,585,517)	3,031,385
Total	<u>5,274,924</u>	<u>2,474,505</u>	<u>-</u>	<u>(1,585,517)</u>	<u>6,163,912</u>
Capital assets, being depreciated:					
Land improvements	7,200,918	-	-	-	7,200,918
Building improvements	47,983,927	-	-	-	47,983,927
Machinery and equipment	39,413,386	935,654	(264,738)	-	40,084,302
Furniture and fixtures	105,326	-	-	-	105,326
Intangibles	621,715	-	-	-	621,715
Infrastructure	92,780,846	905,030	-	1,585,517	95,271,393
Total	<u>188,106,118</u>	<u>1,840,684</u>	<u>(264,738)</u>	<u>1,585,517</u>	<u>191,267,581</u>
Less accumulated depreciation for:					
Land improvements	(2,747,439)	(172,766)	-	-	(2,920,205)
Building improvements	(22,921,369)	(929,553)	-	-	(23,850,922)
Machinery and equipment	(22,960,189)	(2,361,301)	264,738	-	(25,056,752)
Furniture and fixtures	(74,234)	(3,008)	-	-	(77,242)
Intangibles	(473,832)	(3,699)	-	-	(477,531)
Infrastructure	(50,722,551)	(1,541,187)	-	-	(52,263,738)
Total	<u>(99,899,614)</u>	<u>(5,011,514)</u>	<u>264,738</u>	<u>-</u>	<u>(104,646,390)</u>
Total capital assets, being depreciated, net	<u>88,206,504</u>	<u>(3,170,830)</u>	<u>-</u>	<u>1,585,517</u>	<u>86,621,191</u>
Governmental activities capital assets, net	<u>\$ 93,481,428</u>	<u>\$ (696,325)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,785,103</u>

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

Governmental activities:	
General government	\$ 351,814
Judicial	75,938
Public safety	1,714,652
Public works	2,312,469
Culture and recreation	539,478
Housing and development	12,655
Health and welfare	4,508
Total depreciation expense - governmental activities	<u>\$ 5,011,514</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	\$ 877,351	\$ -	\$ -	\$ 890,851
Total	<u>13,500</u>	<u>877,351</u>	<u>-</u>	<u>-</u>	<u>890,851</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	1,142,201	58,346	-	-	1,200,547
Intangibles	145,279	-	-	-	145,279
Total	<u>36,386,227</u>	<u>58,346</u>	<u>-</u>	<u>-</u>	<u>36,444,573</u>
Less accumulated depreciation for:					
Water delivery system	(13,485,650)	(667,509)	-	-	(14,153,159)
Sewer system	(380,744)	(41,306)	-	-	(422,050)
Buildings	(42,318)	(198)	-	-	(42,516)
Machinery and equipment	(800,282)	(44,058)	-	-	(844,340)
Intangibles	(30,763)	(2,906)	-	-	(33,669)
Total	<u>(14,739,757)</u>	<u>(755,977)</u>	<u>-</u>	<u>-</u>	<u>(15,495,734)</u>
Total capital assets, being depreciated, net	<u>21,646,470</u>	<u>(697,631)</u>	<u>-</u>	<u>-</u>	<u>20,948,839</u>
Total capital assets, net	<u>\$ 21,659,970</u>	<u>\$ 179,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,839,690</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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 8,800,000	\$ -	\$ (2,870,000)	\$ 5,930,000	\$ 2,930,000
Bond premium	292,559	-	(162,637)	129,922	-
Net bonds payable	9,092,559	-	(3,032,637)	6,059,922	2,930,000
Certificates of participation	2,500,000	-	-	2,500,000	-
Intergovernmental payable	2,815,000	-	(245,000)	2,570,000	250,000
Capital leases	5,612,143	-	(169,000)	5,443,143	505,986
Claims payable	202,314	799,339	(620,143)	381,510	149,518
Compensated absences	1,425,146	980,006	(1,009,772)	1,395,380	837,223
Landfill post-closure costs	464,720	-	(86,400)	378,320	137,060
Net pension liability	18,309,390	6,719,761	(7,831,480)	17,197,671	-
Total OPEB liability	2,193,549	1,990,716	(87,238)	4,097,027	-
Governmental activities long-term liabilities	<u>\$ 42,614,821</u>	<u>\$ 10,489,822</u>	<u>\$ (13,081,670)</u>	<u>\$ 40,022,973</u>	<u>\$ 4,809,787</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, 2021:

	Governmental Activities
Equipment	\$ 5,443,143
Less accumulated depreciation	<u>297,389</u>
Carrying value	<u>\$ 5,740,532</u>

Current year depreciation expense of assets under capital lease totaled \$82,364.

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,	
2022	\$ 633,441
2023	425,563
2024	435,786
2025	446,318
2026	365,033
2027 – 2031	1,999,597
2032 – 2036	2,077,248
Total minimum lease payments	<u>6,382,986</u>
Less amount representing interest	(939,843)
Present value of future minimum lease payments	<u><u>\$ 5,443,143</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, 2021, the unamortized premium was \$129,922.

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

Fiscal year ending June 30,	Principal	Interest
2022	\$ 2,930,000	\$ 157,600
2023	3,000,000	49,500
Total	<u><u>\$ 5,930,000</u></u>	<u><u>\$ 207,100</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, 2021, the floating rate being paid by the County is 0.34% and the market value of this agreement is \$605,569, a decrease of \$182,860 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, 2021, 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	\$ 712,500

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, 2021, the County has a remaining 3.8 years of monitoring. Engineering studies estimate post-closure costs of approximately \$378,320 over the 3.8 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, 2021. 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:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 250,000	\$ 89,425
2023	257,500	81,925
2024	267,500	74,200
2025	275,000	66,176
2026	282,500	57,925
2027 – 2030	1,237,500	124,637
Total	<u>\$ 2,570,000</u>	<u>\$ 494,288</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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2015	\$ 9,110,000	\$ -	\$ (880,000)	\$ 8,230,000	\$ 905,000
Deferred amounts:					
Premium	443,456	-	(84,814)	358,642	-
Total bonds payable	9,553,456	-	(964,814)	8,588,642	905,000
Compensated absences	19,925	1,924	-	21,849	13,109
Water Authority long-term liabilities	<u>\$ 9,573,381</u>	<u>\$ 1,924</u>	<u>\$ (964,814)</u>	<u>\$ 8,610,491</u>	<u>\$ 918,109</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, 2021, the unamortized premium was \$358,642.

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, 2021 the advanced refunding losses were fully amortized. As of June 30, 2021, the County's outstanding in-substance defeased debt totaled \$8,040,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Revenue bonds outstanding at June 30, 2021, 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	\$ 8,230,000
Plus unamortized premium					358,642
					<u>\$ 8,588,642</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>
2022	\$ 905,000	\$ 271,750
2023	940,000	244,075
2024	975,000	214,075
2025	1,005,000	181,956
2026	1,035,000	147,513
2027 – 2029	3,370,000	202,900
Total	<u>\$ 8,230,000</u>	<u>\$ 1,262,269</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 248,078
General Fund	2016 SPLOST Capital Projects Fund	986,919
Nonmajor governmental funds	Nonmajor governmental funds	17,246
Nonmajor governmental funds	General Fund	25,642
Fire District Fund	General Fund	44,215
		<u>\$ 1,322,100</u>

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	\$ 720,579
General Fund	Fire District Fund	1,326,036
Fire District Fund	Nonmajor governmental funds	40,447
Nonmajor governmental funds	Fire District Fund	66,968
Nonmajor governmental funds	General Fund	1,777,483
		<u>\$ 3,931,513</u>

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

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, 2020, pension plan membership consisted of the following:

Retirees, Beneficiaries, and Disables receiving benefits	175
Terminated Plan participants entitled to but not receiving benefits	214
Active employees participating in the Plan	<u>455</u>
Total number of Plan participants	<u>844</u>
Part-time active employees not participating in the Plan	73

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, 2021, the County's contribution rate was 14.28% of annual payroll. County contributions to the Plan were \$2,854,667 for the year ended June 30, 2021.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.50% – 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 2020.

The actuarial assumptions used in the January 1, 2020 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, 2020, 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 %	

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, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 50,397,372	\$ 32,087,982	\$ 18,309,390
<i>Changes for the year:</i>			
Service cost	1,413,747	-	1,413,747
Interest	3,463,788	-	3,463,788
Differences between expected and actual experience	1,321,798	-	1,321,798
Contributions - employer	-	2,854,667	(2,854,667)
Contributions - employee	-	622,010	(622,010)
Net investment income	-	4,290,775	(4,290,775)
Assumption change	196,683	-	196,683
Benefit payments, including refunds of employee contributions	(1,829,372)	(1,829,372)	-
Administrative expense	-	(100,832)	100,832
Other changes	-	(158,885)	158,885
<i>Net changes</i>	4,566,644	5,678,363	(1,111,719)
Ending balance	\$ 54,964,016	\$ 37,766,345	\$ 17,197,671

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	\$ 24,543,863	\$ 17,197,671	\$ 11,100,607

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, 2020, and the current sharing pattern of costs between employer and employee. As of June 30, 2021, 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, 2021, the County recognized pension expense of \$1,739,397. At June 30, 2021, 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	\$ -	\$ 2,785,011
Differences between expected and actual experience	1,831,011	1,700,302
Other changes in assumptions	1,937,003	-
Total	<u>\$ 3,768,014</u>	<u>\$ 4,485,313</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:

<u>Year ending June 30,</u>	
2022	\$ (350,564)
2023	(437,121)
2024	1,228
2025	(109,403)
2026	<u>178,561</u>
Total	<u>\$ (717,299)</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, 2021, the County's contribution to the Plan was \$0. For the fiscal year ended June 30, 2021, the employee's contribution to the Plan was \$781,263. 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, 17 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, 2019:

Active members	424
Retired members	<u>13</u>
	<u><u>437</u></u>

Contributions

The Board of Commissioners has elected to fund the OPEB Plan on a "pay-as-you-go" basis. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2021, the County contributed \$79,095 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, 2020, and was determined by an actuarial valuation as of July 1, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	2.21%
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-2018 scale Mortality Table, with separate rates for males and females.

The actuarial assumptions used in the July 1, 2019 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 2.21%. 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 2.21% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2020.

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, 2021, were as follows:

	Total OPEB Liability
Beginning balance	<u>\$ 2,193,549</u>
Changes for the year:	
Service cost	113,928
Interest	78,504
Differences between expected and actual experience	1,357,618
Assumption changes	440,666
Benefit payments	<u>(87,238)</u>
Net change	<u>1,903,478</u>
Ending balance	<u><u>\$ 4,097,027</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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	<u>\$ 4,485,393</u>	<u>\$ 4,097,027</u>	<u>\$ 3,749,836</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 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 3,385,727	\$ 4,097,027	\$ 4,938,429

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, 2021, 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, 2021, the County recognized OPEB expense of \$326,409. At June 30, 2021, 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	\$ 151,394	\$ 1,256,452
Other changes in assumptions	126,012	730,168
Contributions subsequent to measurement date	79,095	-
Total	\$ 356,501	\$ 1,986,620

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, 2022. 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>	
2022	\$ 133,977
2023	133,977
2024	133,977
2025	133,977
2026	133,977
Thereafter	<u>(2,379,099)</u>
Total	<u>\$ (1,709,214)</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 \$381,510 as of June 30, 2021, 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 2021 and 2020 were as follows:

Workers' Compensation Trust Fund	June 30, 2021	June 30, 2020
Unpaid claims, beginning of fiscal year	\$ 202,314	\$ 281,545
Expenses incurred	-	-
Payments disbursed	179,196	(79,231)
Unpaid claims, end of fiscal year	<u>\$ 381,510</u>	<u>\$ 202,314</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	\$ 4,349
E911 Fund	58,097
General Fund	<u>164,351</u>
	<u>\$ 226,797</u>

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2021, 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 2021 was \$34,988.

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, 2021, the County paid \$43,890 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 2021 was \$38,400. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the fiscal year ended June 30, 2021, 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, 2021, the County collected \$277,764 of hotel/motel taxes of which \$104,349 went to support the general fund and \$173,415 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, 2021, the County abated property taxes totaling \$289,133, and \$135,932 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.

NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities*, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the Implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the fiduciary activities to properly report the custodial funds.

	<u>Custodial Funds</u>
Net position, as previously reported	-
Adjustment needed to record beginning net position of the agency funds now reported as custodial funds in accordance with GASB Statement No. 84	928,570
Net position, as restated	<u><u>928,570</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

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

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 113,928	\$ 87,004	\$ 90,245	\$ 87,126
Interest on total pension liability	78,504	66,946	67,315	54,070
Changes of benefit terms				
Differences between expected and actual experience	1,357,618	-	(152,798)	(47,483)
Changes of assumptions	440,666	379,089	(57,614)	(117,366)
Benefit payments	(87,238)	(35,376)	(41,324)	(37,903)
Net change in total OPEB liability	1,903,478	497,663	(94,176)	(61,556)
Total OPEB liability - beginning	2,193,549	1,695,886	1,790,062	1,851,618
Total OPEB liability - ending (a)	\$ 4,097,027	\$ 2,193,549	\$ 1,695,886	\$ 1,790,062
Covered-employee payroll	\$ 22,995,893	\$ 24,045,704	\$ 23,470,228	\$ 22,185,006
County's total OPEB liability as a percentage of covered-employee payroll	17.82%	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

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 1,413,747	\$ 1,225,028	\$ 404,652	\$ 498,620	\$ 450,476	\$ 447,289	\$ 460,213
Interest on total pension liability	3,483,788	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	1,321,798	1,242,404	(3,423,574)	(974,091)	(602,771)	(714,219)	-
Changes of assumptions	196,683	1,849,348	1,190,106	73,984	878,346	1,130,608	-
Benefit payments, including refunds of employee contributions	(1,829,376)	(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	4,586,640	18,669,913	509,071	243,987	1,416,440	1,548,849	1,133,367
Total pension liability - beginning	50,397,372	31,727,459	31,218,388	30,974,401	29,557,961	28,009,112	26,875,745
Total pension liability - ending (a)	54,984,012	50,397,372	31,727,459	31,218,388	30,974,401	29,557,961	28,009,112
Plan fiduciary net position							
Contributions - employer	2,854,667	2,471,509	1,750,000	1,275,118	1,238,475	1,199,522	1,334,262
Contributions - employee	622,010	602,166	-	-	-	-	-
Net investment income	4,290,775	5,348,886	(1,105,920)	3,470,460	1,542,031	146,812	1,430,252
Benefit payments, including refunds of employee contributions	(1,829,372)	(1,697,486)	71,946	(1,544,193)	(1,471,285)	(1,364,349)	(1,294,002)
Administrative expenses	(100,832)	(97,022)	(70,370)	(68,878)	(72,390)	(69,586)	(67,301)
Other	(158,885)	(194,455)	(197,987)	(189,624)	(171,486)	(145,754)	(147,776)
Net change in fiduciary net position	5,678,363	6,433,598	447,669	2,942,883	1,065,345	(233,355)	1,255,435
Plan fiduciary net position - beginning	32,087,982	25,654,384	25,206,715	22,263,832	21,198,487	21,431,842	20,176,407
Plan fiduciary net position - ending (b)	37,766,345	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)	\$ 17,217,667	\$ 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	68.69%	63.67%	80.86%	80.74%	71.88%	71.72%	76.52%
Covered payroll	\$ 19,806,253	\$ 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	86.93%	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,651,664	\$ 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	<u>2,854,667</u>	<u>2,471,509</u>	<u>1,750,000</u>	<u>1,275,118</u>	<u>1,238,475</u>	<u>1,199,522</u>	<u>1,334,262</u>
Contribution deficiency (excess)	<u>\$ (203,003)</u>	<u>\$ (160,557)</u>	<u>\$ (846,916)</u>	<u>\$ -</u>	<u>\$ (41,361)</u>	<u>\$ (47,934)</u>	<u>\$ (118,136)</u>
Covered payroll	\$ 19,991,934	\$ 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	14.28%	12.82%	9.46%	8.72%	8.41%	8.23%	9.17%

Notes to the Schedule:

Valuation Date	January 1, 2020
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	4.50% Per year with an age based scale
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.
CSBG-CARES	To account for Community Services Block Grant revenues and expenditures received specifically from CARES Act Funding. Revenues are received from the federal government through the State of Georgia.
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 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, 2021

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
ASSETS					
Cash and cash equivalents	\$ 30,558	\$ 628,551	\$ 367,740	\$ 140,247	\$ 36,707
Investments	-	-	-	-	-
Accounts receivable	-	232,391	-	-	4,982
Due from other governments	19,306	-	-	-	93,419
Due from other funds	-	14,867	-	-	15,747
Total assets	<u>\$ 49,864</u>	<u>\$ 875,809</u>	<u>\$ 367,740</u>	<u>\$ 140,247</u>	<u>\$ 150,855</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 11,638	\$ 7,996	\$ -	\$ 182	\$ 5,750
Accrued liabilities	134	5,185	-	-	683
Due to component unit	-	-	-	-	-
Due to other funds	15,746	-	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	<u>27,518</u>	<u>13,181</u>	<u>-</u>	<u>182</u>	<u>6,433</u>
FUND BALANCES (DEFICIT)					
Restricted for:					
Grant purposes	22,346	-	-	-	-
Judicial	-	-	-	140,065	-
Public safety	-	862,628	367,740	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Housing and development	-	-	-	-	-
Health and Welfare	-	-	-	-	144,422
Assigned for:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>22,346</u>	<u>862,628</u>	<u>367,740</u>	<u>140,065</u>	<u>144,422</u>
Total liabilities and fund balances (deficit)	<u>\$ 49,864</u>	<u>\$ 875,809</u>	<u>\$ 367,740</u>	<u>\$ 140,247</u>	<u>\$ 150,855</u>

Special Revenue					Debt Service		
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CSBG-CARES	CDBG	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2015 Airport Debt Service
\$ 157,613	\$ 376,017	\$ 4,482	\$ -	\$ -	\$ 906,166	\$ -	\$ -
-	-	-	-	-	1,651,261	-	-
-	-	-	214,826	-	-	-	-
-	-	-	-	1,500	-	-	-
-	10,774	-	-	-	-	-	-
<u>\$ 157,613</u>	<u>\$ 386,791</u>	<u>\$ 4,482</u>	<u>\$ 214,826</u>	<u>\$ 1,500</u>	<u>\$ 2,557,427</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 231,105	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	1,500	-	-	-
-	12,107	-	-	-	-	-	-
38,415	-	-	-	-	-	-	-
<u>38,415</u>	<u>12,107</u>	<u>-</u>	<u>231,105</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	374,684	4,482	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,651,261	-	-
-	-	-	-	-	906,166	-	-
119,198	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(16,279)	-	-	-	-
<u>119,198</u>	<u>374,684</u>	<u>4,482</u>	<u>(16,279)</u>	<u>-</u>	<u>2,557,427</u>	<u>-</u>	<u>-</u>
<u>\$ 157,613</u>	<u>\$ 386,791</u>	<u>\$ 4,482</u>	<u>\$ 214,826</u>	<u>\$ 1,500</u>	<u>\$ 2,557,427</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

ASSETS	Capital Projects			Total
	Impact Fees	Capital Projects General	Capital Projects 2008 SPLOST	
Cash and cash equivalents	\$ 3,364,936	\$ 157,508	\$ 2,343,697	\$ 8,514,222
Investments	-	-	-	1,651,261
Accounts receivable	-	-	12	452,211
Due from other governments	-	-	-	114,225
Due from other funds	-	-	-	41,388
Total assets	<u>\$ 3,364,936</u>	<u>\$ 157,508</u>	<u>\$ 2,343,709</u>	<u>\$ 10,773,307</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 256,671
Accrued liabilities	-	-	-	6,002
Due to component unit	-	-	-	1,500
Due to other funds	235,971	-	-	263,824
Due to other governments	-	-	-	38,415
Total liabilities	<u>235,971</u>	<u>-</u>	<u>-</u>	<u>566,412</u>
FUND BALANCES (DEFICIT)				
Restricted for:				
Grant purposes	-	-	-	22,346
Judicial	-	-	-	519,231
Public safety	-	-	-	1,230,368
Capital projects	3,128,965	-	2,343,709	7,123,935
Debt service	-	-	-	906,166
Housing and development	-	-	-	119,198
Health and Welfare	-	-	-	144,422
Assigned for:				
Capital projects	-	157,508	-	157,508
Unassigned	-	-	-	(16,279)
Total fund balances (deficit)	<u>3,128,965</u>	<u>157,508</u>	<u>2,343,709</u>	<u>10,206,895</u>
Total liabilities and fund balances (deficit)	<u>\$ 3,364,936</u>	<u>\$ 157,508</u>	<u>\$ 2,343,709</u>	<u>\$ 10,773,307</u>

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue				
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Senior Nutrition
REVENUES					
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	109,956	-	-	-	522,203
Charges for services	-	1,335,317	-	-	-
Court fees, fines and forfeitures	-	-	257,452	48,052	-
Interest	-	-	36	73	-
Other	-	777	-	-	51,859
Total revenues	109,956	1,336,094	257,488	48,125	574,062
EXPENDITURES					
Current:					
General government	39,168	-	-	-	-
Judicial	12,306	-	-	50,230	-
Public safety	-	1,617,766	201,069	-	-
Health and welfare	56,528	-	-	-	393,897
Housing and development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	108,002	1,617,766	201,069	50,230	393,897
Excess (deficiency) of revenues over (under) expenditures	1,954	(281,672)	56,419	(2,105)	180,165
OTHER FINANCING SOURCES (USES)					
Transfers in	1,292	301,301	-	-	41,698
Transfers out	-	-	-	-	-
Total other financing sources (uses)	1,292	301,301	-	-	41,698
Net change in fund balances	3,246	19,629	56,419	(2,105)	221,863
FUND BALANCES (DEFICITS), beginning of year	19,100	842,999	311,321	142,170	(77,441)
FUND BALANCES (DEFICIT), end of year	\$ 22,346	\$ 862,628	\$ 367,740	\$ 140,065	\$ 144,422

Special Revenue					Debt Service		
Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CSBG-CARES	CDBG	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2015 Airport Debt Service
\$ 277,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	659,454	-	-	-
-	-	-	-	-	-	-	-
-	61,140	-	-	-	-	-	-
-	82	-	-	-	139,410	-	-
-	157	-	214,826	-	-	7	-
277,764	61,379	-	214,826	659,454	139,410	7	-
-	-	-	-	-	-	-	31,026
-	76,390	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	231,105	-	-	-	-
274,606	-	-	-	659,454	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	245,000
-	-	-	-	-	127,915	-	93,100
274,606	76,390	-	231,105	659,454	127,915	-	369,126
3,158	(15,011)	-	(16,279)	-	11,495	7	(369,126)
-	-	-	-	-	1,111,034	-	369,126
(104,349)	-	-	-	-	(656,677)	-	-
(104,349)	-	-	-	-	454,357	-	369,126
(101,191)	(15,011)	-	(16,279)	-	465,852	7	-
220,389	389,695	4,482	-	-	2,091,575	(7)	-
\$ 119,198	\$ 374,684	\$ 4,482	\$ (16,279)	\$ -	\$ 2,557,427	\$ -	\$ -

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Projects			
	Impact Fees	Capital Projects General	Capital Projects 2008 SPLOST	Total
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ 277,764
Intergovernmental	-	-	60,957	1,352,570
Charges for services	897,915	-	-	2,233,232
Court fees, fines and forfeitures	-	-	-	366,644
Interest	118	-	1,124	140,843
Other	-	-	-	267,626
Total revenues	898,033	-	62,081	4,638,679
EXPENDITURES				
Current:				
General government	683	-	-	70,877
Judicial	-	-	-	138,926
Public safety	-	-	-	1,818,835
Health and welfare	-	-	-	681,530
Housing and development	-	-	-	934,060
Capital outlay	248,132	-	-	248,132
Debt service:				
Principal	-	-	-	245,000
Interest	-	-	-	221,015
Total expenditures	248,815	-	-	4,358,375
Excess (deficiency) of revenues over (under) expenditures	649,218	-	62,081	280,304
OTHER FINANCING SOURCES				
Transfers in	-	20,000	-	1,844,451
Transfers out	-	-	-	(761,026)
Total other financing sources	-	20,000	-	1,083,425
Net change in fund balances	649,218	20,000	62,081	1,363,729
FUND BALANCES (DEFICIT), beginning of year	2,479,747	137,508	2,281,628	8,843,166
FUND BALANCES (DEFICIT), end of year	\$ 3,128,965	\$ 157,508	\$ 2,343,709	\$ 10,206,895

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, 2021

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 203,814	\$ 109,956	\$ (93,858)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	203,814	109,956	(93,858)
EXPENDITURES			
Current:			
General government	53,336	39,168	14,168
Judicial	54,937	12,306	42,631
Public safety	-	-	-
Health and welfare	96,833	56,528	40,305
Total expenditures	205,106	108,002	97,104
Excess (deficiency) of revenues over (under) expenditures	(1,292)	1,954	3,246
OTHER FINANCING SOURCES			
Transfers in	1,292	1,292	-
Total other financing sources	1,292	1,292	-
Net change in fund balances	-	3,246	3,246
FUND BALANCES, beginning of year	19,100	19,100	-
FUND BALANCES, end of year	\$ 19,100	\$ 22,346	\$ 3,246

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,276,694	1,335,317	58,623	-	-	-
-	-	-	350,000	257,452	(92,548)
-	-	-	-	36	36
-	777	777	-	-	-
1,276,694	1,336,094	59,400	350,000	257,488	(92,512)
-	-	-	-	-	-
-	-	-	-	-	-
1,852,995	1,617,766	235,229	350,000	201,069	148,931
-	-	-	-	-	-
1,852,995	1,617,766	235,229	350,000	201,069	148,931
(576,301)	(281,672)	294,629	-	56,419	56,419
301,301	301,301	-	-	-	-
301,301	301,301	-	-	-	-
(275,000)	19,629	294,629	-	56,419	56,419
842,999	842,999	-	311,321	311,321	-
\$ 567,999	\$ 862,628	\$ 294,629	\$ 311,321	\$ 367,740	\$ 56,419

(Continued)

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, 2021

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Court fees, fines and forfeitures	75,000	48,052	(26,948)
Interest	-	73	73
Other	-	-	-
Total revenues	75,000	48,125	(26,875)
EXPENDITURES			
Current:			
Judicial	75,000	50,230	24,770
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	75,000	50,230	24,770
Excess (deficiency) of revenues over (under) expenditures	-	(2,105)	(2,105)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(2,105)	(2,105)
FUND BALANCES (DEFICIT), beginning of year	142,170	142,170	-
FUND BALANCES (DEFICIT), end of year	\$ 142,170	\$ 140,065	\$ (2,105)

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 292,000	\$ 277,764	\$ (14,236)
409,500	522,203	112,703	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79,926	51,859	(28,067)	-	-	-
489,426	574,062	84,636	292,000	277,764	(14,236)
-	-	-	-	-	-
531,405	393,897	137,508	-	-	-
-	-	-	230,000	274,606	(44,606)
531,405	393,897	137,508	230,000	274,606	(44,606)
(41,979)	180,165	222,144	62,000	3,158	(58,842)
41,979	41,698	(281)	-	-	-
-	-	-	(112,000)	(104,349)	7,651
41,979	41,698	(281)	(112,000)	(104,349)	7,651
-	221,863	221,863	(50,000)	(101,191)	(51,191)
(77,441)	(77,441)	-	220,389	220,389	-
\$ (77,441)	\$ 144,422	\$ 221,863	\$ 170,389	\$ 119,198	\$ (51,191)

(Continued)

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, 2021

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Court fees, fines and forfeitures	\$ 90,000	\$ 61,140	\$ (28,860)
Interest	-	82	82
Other	-	157	157
Total revenues	90,000	61,379	(28,621)
EXPENDITURES			
Current:			
Judicial	90,000	76,390	13,610
Health and welfare	-	-	-
Total expenditures	90,000	76,390	13,610
Net change in fund balances	-	(15,011)	(15,011)
FUND BALANCES, beginning of year	389,695	389,695	-
FUND BALANCES (DEFICIT), end of year	\$ 389,695	\$ 374,684	\$ (15,011)

Griffin Judicial Circuit Drug Court			CSBG-CARES		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	381,080	214,826	(166,254)
-	-	-	381,080	214,826	(166,254)
-	-	-	-	-	-
-	-	-	381,080	231,105	149,975
-	-	-	381,080	231,105	149,975
-	-	-	-	(16,279)	(16,279)
4,482	4,482	-	-	-	-
\$ 4,482	\$ 4,482	\$ -	\$ -	\$ (16,279)	\$ (16,279)

(Continued)

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, 2021

	CDBG Fund		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 700,000	\$ 659,454	\$ (40,546)
Total revenues	700,000	659,454	(40,546)
EXPENDITURES			
Current:			
Housing and development	700,000	659,454	40,546
Total expenditures	700,000	659,454	40,546
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPALDING COUNTY, GEORGIA

DEBT SERVICE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

2016 SPLOST Debt Service			GMA Lease Pool Debt Service		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 3,132,251	\$ 2,564,035	\$ (568,216)	\$ -	\$ -	\$ -
-	44	44	129,750	139,410	9,660
3,132,251	2,564,079	(568,172)	129,750	139,410	9,660
2,870,000	2,870,000	-	-	-	-
262,251	259,250	3,001	129,750	127,915	1,835
3,132,251	3,129,250	3,001	129,750	127,915	1,835
-	(565,171)	(565,171)	-	11,495	11,495
-	-	-	1,123,942	1,111,034	(12,908)
-	-	-	(1,123,942)	(656,677)	467,265
-	-	-	-	454,357	454,357
-	(565,171)	(565,171)	-	465,852	465,852
4,201,372	4,201,372	-	2,091,575	2,091,575	-
\$ 4,201,372	\$ 3,636,201	\$ (565,171)	\$ 2,091,575	\$ 2,557,427	\$ 465,852

(Continued)

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, 2021

	2015 Airport Debt Service		
	Final Budget	Actual	Variance With Final Budget
EXPENDITURES			
Current:			
General government	\$ 31,026	\$ 31,026	\$ -
Debt service:			
Principal	245,000	245,000	-
Interest	93,100	93,100	-
Total expenditures	369,126	369,126	-
Deficiency of revenues under expenditures	(369,126)	(369,126)	-
OTHER FINANCING SOURCES			
Transfers in	369,126	369,126	-
Total other financing sources	369,126	369,126	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -

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, 2021

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Other	-	-	-
Capital outlay	157,500	-	157,500
Total expenditures	157,500	-	157,500
Excess (deficiency) of revenues over (under) expenditures	(157,500)	-	157,500
OTHER FINANCING SOURCES			
Transfers in	20,000	20,000	-
Total other financing sources	20,000	20,000	-
Net change in fund balances	(137,500)	20,000	157,500
FUND BALANCES, beginning of year	137,508	137,508	-
FUND BALANCES, end of year	\$ 8	\$ 157,508	\$ 157,500

Impact Fees			2016 SPLOST Capital Projects		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 1,809,649	\$ 4,236,517	\$ 2,426,868
402,315	897,915	495,600	-	-	-
32,000	118	(31,882)	50,000	700	(49,300)
-	-	-	-	-	-
434,315	898,033	463,718	1,859,649	4,237,217	2,377,568
7,400	683	6,717	-	-	-
-	-	-	1,000	1,000	-
2,567,500	248,132	2,319,368	5,365,000	4,317,679	1,047,321
2,574,900	248,815	2,326,085	5,366,000	4,318,679	1,047,321
(2,140,585)	649,218	2,789,803	(3,506,351)	(81,462)	3,424,889
-	-	-	-	-	-
-	-	-	-	-	-
(2,140,585)	649,218	2,789,803	(3,506,351)	(81,462)	3,424,889
2,479,747	2,479,747	-	9,346,177	9,346,177	-
\$ 339,162	\$ 3,128,965	\$ 2,789,803	\$ 5,839,826	\$ 9,264,715	\$ 3,424,889

(Continued)

SPALDING COUNTY, GEORGIA

CAPITAL PROJECTS FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Capital Projects 2008 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 60,957	\$ 60,957
Interest	-	1,124	1,124
Total revenues	-	62,081	62,081
EXPENDITURES			
Total expenditures	-	-	-
Net change in fund balances	-	62,081	62,081
FUND BALANCES, beginning of year	2,281,628	2,281,628	-
FUND BALANCES, end of year	\$ 2,281,628	\$ 2,343,709	\$ 62,081

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	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	\$ 20,824,629	\$ -	\$ 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	7,170,311	-	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	<u>3,326,000</u>	<u>3,326,000</u>	<u>3,026,415</u>	<u>-</u>	<u>3,026,415</u>
	<u>\$ 54,000,000</u>	<u>\$ 54,000,000</u>	<u>\$ 48,217,243</u>	<u>\$ -</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, 2021

	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	363,123	320,679	683,802
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	744,293	-	744,293
Renovation of the Animal Control facility	1,185,000	1,185,000	117,815	1,532,376	1,650,191
Acquisition and equipping of materials for the Griffin-Spalding Library System	250,000	250,000	76,861	49,240	126,101
Improvements to AMBUCS Park, City Park, Dundee Lake Park, and Wyomia Tyus Park	1,031,700	1,031,700	-	381,398	381,398
Construction and equipping of a new aquatics center	4,690,000	4,690,000	30,591	114,051	144,642
Acquisition of vehicles and equipment for the Sheriff's Department Gang Reduction and Intervention Program (GRIP)	270,000	270,000	250,872	2,840	253,712
Roads, streets, bridges, transportation improvements, and equipment	8,705,851	8,705,851	6,720,238	1,925,343	8,645,581
City of Orchard Hill	491,452	491,452	415,113	-	415,113
City of Sunny Side	352,430	352,430	76,488	-	76,488
Bond interest expense	1,625,167	1,625,167	1,160,667	-	1,160,667
	<u>\$ 28,056,000</u>	<u>\$ 28,056,000</u>	<u>\$ 18,453,894</u>	<u>\$ 4,325,927</u>	<u>\$ 22,779,821</u>

CUSTODIAL FUNDS

SPALDING COUNTY, GEORGIA

CUSTODIAL 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 FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2021

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ASSETS				
Cash	\$ 617,606	\$ 210,819	\$ 24,027	\$ 342,446
Taxes receivable	2,375,026	-	-	-
Accounts receivable	27,122	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,019,754</u>	<u>\$ 210,819</u>	<u>\$ 24,027</u>	<u>\$ 342,446</u>
LIABILITIES				
Due to others	<u>\$ 3,028,585</u>	<u>\$ 9,641</u>	<u>\$ 9,978</u>	<u>\$ 209,122</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	<u>\$ (8,831)</u>	<u>\$ 201,178</u>	<u>\$ 14,049</u>	<u>\$ 133,324</u>

<u>Correctional Institution</u>	<u>Sheriff</u>	<u>Custodial Funds Total</u>
\$ 113,824	\$ 493,388	\$ 1,802,110
-	-	2,375,026
-	-	27,122
<u>\$ 113,824</u>	<u>\$ 493,388</u>	<u>\$ 4,204,258</u>
<u>\$ 25,640</u>	<u>\$ -</u>	<u>\$ 3,282,966</u>
<u>\$ 88,184</u>	<u>\$ 493,388</u>	<u>\$ 921,292</u>

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FUDICIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ADDITIONS				
Taxes collected	\$ 33,642,208	\$ -	\$ -	\$ 2,045,597
Fines and fees collected	-	233,564	132,344	-
Total additons	<u>33,642,208</u>	<u>233,564</u>	<u>132,344</u>	<u>2,045,597</u>
DEDUCTIONS				
Taxes disbursed	33,643,705	-	-	2,105,966
Fines and fees disbursed	-	220,435	130,708	-
Total deductions	<u>33,643,705</u>	<u>220,435</u>	<u>130,708</u>	<u>2,105,966</u>
Change in net position	(1,497)	13,129	1,636	(60,369)
Net position, beginning of year, as restated	<u>(7,334)</u>	<u>188,049</u>	<u>12,413</u>	<u>193,693</u>
Net position, end of year	<u>\$ (8,831)</u>	<u>\$ 201,178</u>	<u>\$ 14,049</u>	<u>\$ 133,324</u>

Correctional Institution	Sheriff	Custodial Funds Total
\$ -	\$ -	\$ 35,687,805
772,310	194,574	1,332,792
<u>772,310</u>	<u>194,574</u>	<u>37,020,597</u>
-	-	35,749,671
718,185	208,876	1,278,204
<u>718,185</u>	<u>208,876</u>	<u>37,027,875</u>
54,125	(14,302)	(7,278)
34,059	507,690	928,570
<u>\$ 88,184</u>	<u>\$ 493,388</u>	<u>\$ 921,292</u>

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION COMPONENT UNIT - WATER AUTHORITY JUNE 30, 2021

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 15,356,223
Accounts receivable	1,227,796
Due from primary government	3,540
Restricted assets, cash and cash equivalents	<u>1,029,805</u>
Total current assets	<u>17,617,364</u>
NON-CURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	890,851
Capital assets, depreciable, net of accumulated depreciation	<u>20,948,839</u>
Total capital assets	<u>21,839,690</u>
Total non-current assets	<u>21,839,690</u>
Total assets	<u>39,457,054</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	46,705
Accrued liabilities	1,438
Current portion of compensated absences payable	13,109
Current portion of bonds payable from restricted assets	905,000
Accrued interest	<u>95,108</u>
Total current liabilities	<u>1,061,360</u>
NON-CURRENT LIABILITIES	
Compensated absences payable, net of current portion	8,740
Bonds payable, net of current portion	<u>7,683,642</u>
Total non-current liabilities	<u>7,692,382</u>
Total liabilities	<u>8,753,742</u>
NET POSITION	
Net investment in capital assets	13,251,048
Unrestricted	<u>17,452,264</u>
Total net position	<u>\$ 30,703,312</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, 2021

OPERATING REVENUES

Charges for services	\$ 9,382,775
Total operating revenues	<u>9,382,775</u>

OPERATING EXPENSES

Personal services and employee benefits	356,150
Contracted services	6,261,957
Material and supplies	228,140
Other operating expenses	61,745
Depreciation	<u>755,977</u>
Total operating expenses	<u>7,663,969</u>
Operating income	<u>1,718,806</u>

NON-OPERATING INCOME (EXPENSES)

Interest income	686
Interest expense	(208,411)
Transfers	<u>665,914</u>
Total non-operating income, net	<u>458,189</u>
Change in net position	2,176,995

NET POSITION, beginning of year	<u>28,526,317</u>
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NET POSITION, end of year	<u><u>\$ 30,703,312</u></u>
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SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - WATER AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 9,327,342
Payments to employees	(353,493)
Payments to suppliers for goods and services provided	(6,538,743)
	<hr/>
Net cash provided by operating activities	2,435,106

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(935,697)
Operating transfers	665,914
Principal payments on long-term borrowings	(880,000)
Interest payments on long-term borrowings	(302,025)
	<hr/>
Net cash used in capital and related financing activities	(1,451,808)

Net increase in cash and cash equivalents	983,984
Cash and cash equivalents, beginning of year	15,402,044
	<hr/>
Cash and cash equivalents, end of year	\$ 16,386,028

Reconciliation to the statement of net position:

Cash	\$ 15,356,223
Restricted cash	1,029,805
	<hr/>
Total	\$ 16,386,028

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

Operating income	\$ 1,718,806
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	755,977
Increase in accounts receivable	(55,723)
Decrease in due from primary government	290
Increase in accrued liabilities	2,657
Increase in accounts payable	13,099
	<hr/>
Net cash provided by operating activities	\$ 2,435,106

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.....	107 – 114
<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	115 – 120
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	121 – 124
<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.....	125 and 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,				
	2012	2013	2014	2015	2016
Primary government:					
Governmental activities:					
Investment in capital assets	\$ 82,563,218	\$ 85,013,668	\$ 84,742,325	\$ 85,020,018	\$ 80,220,168
Restricted	23,034,482	22,485,176	22,961,705	22,977,148	22,603,433
Unrestricted	(7,948,212)	(6,712,169)	(2,321,893)	(4,259,173)	(3,484,551)
Total primary government net position	<u>\$ 97,649,488</u>	<u>\$ 100,786,675</u>	<u>\$ 105,382,137</u>	<u>\$ 103,737,993</u>	<u>\$ 99,339,050</u>

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 84,145,000	\$ 81,899,912	\$ 81,336,766	\$ 77,247,114	\$ 80,199,921
18,546,505	16,753,035	21,399,966	24,951,060	25,942,428
(5,647,943)	(6,092,143)	(3,862,370)	(11,704,117)	(16,012,886)
<u>\$ 97,043,562</u>	<u>\$ 92,560,804</u>	<u>\$ 98,874,362</u>	<u>\$ 90,494,057</u>	<u>\$ 90,129,463</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 7,236,133	\$ 7,179,178	\$ 7,034,101	\$ 5,496,857	\$ 6,313,727
Judicial	5,088,552	4,858,593	4,794,545	4,938,181	4,801,190
Public safety	28,124,718	27,907,077	27,191,157	27,544,324	28,428,857
Public works	4,339,173	4,423,522	7,115,261	2,688,331	4,512,690
Health and welfare	620,797	615,933	569,205	574,334	576,772
Culture and recreation	2,848,613	2,586,924	2,394,204	2,499,384	3,071,094
Housing and development	996,194	793,346	825,926	1,830,357	5,636,437
Interest on long-term debt	909,418	749,441	561,341	364,470	759,213
Total primary government expenses	<u>\$ 50,163,598</u>	<u>\$ 49,114,014</u>	<u>\$ 50,485,740</u>	<u>\$ 45,936,238</u>	<u>\$ 54,099,980</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,203,046	\$ 1,813,058	\$ 1,787,846	\$ 2,318,583	\$ 2,060,790
Judicial	1,866,206	1,685,596	1,627,286	1,624,499	1,683,399
Public safety	5,641,026	5,300,243	5,225,633	5,654,678	5,757,601
Other activities	441,843	380,215	427,564	551,090	580,049
Operating grants and contributions	1,065,062	1,480,378	1,762,818	1,437,094	1,566,317
Capital grants and contributions	194,477	275,942	37,160	6,917	43,316
Total primary government program revenues	<u>\$ 11,411,660</u>	<u>\$ 10,935,432</u>	<u>\$ 10,868,307</u>	<u>\$ 11,592,861</u>	<u>\$ 11,691,472</u>
Net (expense)/revenue					
Total primary government net expense	<u>\$ (38,751,938)</u>	<u>\$ (38,178,582)</u>	<u>\$ (39,617,433)</u>	<u>\$ (34,343,377)</u>	<u>\$ (42,408,508)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 23,803,917	\$ 23,156,753	\$ 24,660,616	\$ 23,979,331	\$ 25,227,897
Alcoholic beverage taxes	332,017	333,786	330,240	333,273	344,805
Vehicle taxes	1,855,547	2,119,129	2,609,866	2,481,082	2,349,670
Sales taxes	14,367,296	12,821,902	13,830,494	9,376,475	6,749,243
Intangible taxes	199,474	280,425	196,240	198,185	268,726
Insurance premium taxes	1,676,704	1,791,251	1,861,717	1,964,919	2,104,227
Hotel/motel taxes	96,737	110,037	116,554	121,465	98,582
Other taxes	514,422	539,489	528,494	525,761	754,005
Unrestricted investment earnings	162,559	162,997	148,120	142,586	112,410
Total primary government	<u>\$ 43,008,673</u>	<u>\$ 41,315,769</u>	<u>\$ 44,282,341</u>	<u>\$ 39,123,077</u>	<u>\$ 38,009,565</u>
Change in Net Position					
Total primary government	<u>\$ 4,256,735</u>	<u>\$ 3,137,187</u>	<u>\$ 4,664,908</u>	<u>\$ 4,779,700</u>	<u>\$ (4,398,943)</u>

NOTES:

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

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 9,048,366	\$ 7,094,473	\$ 6,398,786	\$ 9,864,438	\$ 12,527,377
4,454,124	4,749,565	4,754,535	6,428,585	5,400,942
30,304,644	32,043,298	32,358,206	42,576,772	38,922,165
4,683,035	6,655,312	4,665,063	7,132,495	6,190,601
559,589	994,880	1,024,892	1,115,190	1,150,150
2,302,041	3,192,941	2,876,231	4,293,452	3,951,680
3,518,215	4,590,713	1,360,182	1,654,013	2,751,724
432,502	558,406	584,771	567,532	588,107
<u>\$ 55,302,516</u>	<u>\$ 59,879,588</u>	<u>\$ 54,022,666</u>	<u>\$ 73,632,477</u>	<u>\$ 71,482,746</u>
\$ 2,073,456	\$ 1,783,252	\$ 1,662,159	\$ 1,769,137	\$ 1,772,658
1,680,909	2,403,684	2,415,084	2,089,267	2,254,470
5,817,893	6,354,027	6,756,048	6,825,059	6,133,089
581,784	1,071,279	1,384,558	1,172,580	1,906,201
1,755,962	1,693,743	1,790,001	2,933,777	3,704,577
61,735	543,005	348,719	345,137	1,394,507
<u>\$ 11,971,739</u>	<u>\$ 13,848,990</u>	<u>\$ 14,356,569</u>	<u>\$ 15,134,957</u>	<u>\$ 17,165,502</u>
<u>\$ (43,330,777)</u>	<u>\$ (46,030,598)</u>	<u>\$ (39,666,097)</u>	<u>\$ (58,497,520)</u>	<u>\$ (54,317,244)</u>
\$ 25,102,166	\$ 25,483,255	\$ 27,825,071	\$ 29,768,448	\$ 30,772,322
340,499	320,121	338,099	350,850	371,329
2,297,219	2,438,219	2,702,707	3,173,566	3,734,827
9,704,870	10,235,164	11,051,719	12,407,764	14,183,537
300,393	354,537	366,664	515,881	735,220
2,239,234	2,420,573	2,610,028	2,800,952	2,976,270
178,892	184,931	294,857	274,682	277,764
737,194	767,605	679,187	712,089	788,398
134,822	112,951	111,323	112,983	112,983
<u>\$ 41,035,289</u>	<u>\$ 42,317,356</u>	<u>\$ 45,979,655</u>	<u>\$ 50,117,215</u>	<u>\$ 53,952,650</u>
<u>\$ (2,295,488)</u>	<u>\$ (3,713,242)</u>	<u>\$ 6,313,558</u>	<u>\$ (8,380,305)</u>	<u>\$ (364,594)</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Assigned	1,625,609	1,428,381	1,524,540	1,734,488	1,734,488
Unassigned	1,289,814	396,132	1,138,875	1,562,527	2,665,611
Total General Fund	<u>4,503,680</u>	<u>-</u>	<u>2,915,423</u>	<u>1,824,513</u>	<u>4,400,099</u>
All Other Governmental Funds					
Reserved, reported in					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Restricted	24,058,981	23,348,779	24,150,690	23,903,282	23,487,582
Assigned	325,324	257,207	137,122	157,108	57,908
Unassigned	<u>(105,694)</u>	<u>(17,473)</u>	<u>-</u>	<u>(325)</u>	<u>(98,329)</u>
Total All Other Governmental Funds	<u>23,573,728</u>	<u>21,637,572</u>	<u>24,278,611</u>	<u>23,588,513</u>	<u>23,447,161</u>
Total Governmental Funds					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Restricted	24,058,981	23,348,779	24,150,690	23,903,282	23,487,582
Assigned	1,950,933	1,685,588	1,661,662	1,891,596	1,791,996
Unassigned	<u>1,184,120</u>	<u>378,659</u>	<u>1,138,875</u>	<u>1,562,202</u>	<u>2,567,282</u>
Total Governmental Funds	<u>\$ 28,077,408</u>	<u>\$ 25,159,735</u>	<u>\$ 27,194,034</u>	<u>\$ 25,413,026</u>	<u>\$ 27,846,860</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,				
2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
2,065,765	1,985,941	3,931,796	4,428,705	4,858,640
3,383,165	3,978,741	2,293,851	7,777,752	5,439,610
5,448,930	5,964,682	6,225,647	12,206,457	10,298,250
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,734,391	16,666,378	21,741,099	25,914,169	27,211,125
77,508	131,343	962,396	159,593	277,411
(80,005)	(130,871)	(109,902)	(77,448)	(16,279)
19,731,894	16,666,850	22,593,593	25,996,314	27,472,257
-	-	-	-	-
-	-	-	-	-
19,734,391	16,666,378	21,741,099	25,914,169	27,211,125
2,143,273	2,117,284	4,894,192	4,588,298	5,136,051
3,303,160	3,847,870	2,183,949	7,700,304	5,423,331
\$ 25,180,824	\$ 22,631,532	\$ 28,819,240	\$ 38,202,771	\$ 37,770,507

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
REVENUES					
Taxes	\$ 43,300,961	\$ 40,600,157	\$ 44,079,395	\$ 39,399,484	\$ 38,044,455
Licenses and permits	213,767	192,893	227,586	446,798	418,321
Intergovernmental	1,230,452	1,712,109	1,784,111	1,430,352	1,464,375
Court fees, fines and forfeitures	1,693,715	1,640,502	1,455,478	1,649,797	1,574,445
Charges for services	6,331,877	5,997,745	5,996,839	6,476,550	6,395,476
Interest	160,259	151,839	151,156	149,490	122,429
Contributions and donations	8,645	42,094	6,580	6,515	7,190
Rentals	197,315	177,095	172,800	230,493	200,242
Other	1,735,452	1,172,539	1,215,928	1,345,439	1,588,107
Total Revenues	<u>54,872,443</u>	<u>51,686,973</u>	<u>55,089,873</u>	<u>51,134,918</u>	<u>49,815,040</u>
EXPENDITURES					
General government	5,282,991	4,870,294	4,406,367	4,787,118	5,601,742
Judicial	4,534,222	4,231,806	4,331,535	4,453,014	4,209,749
Public safety	27,581,114	26,894,567	27,261,190	28,032,298	28,089,221
Public works	3,697,648	3,492,002	3,874,610	3,291,378	3,544,994
Health and welfare	620,797	614,442	570,127	572,952	555,399
Culture and recreation	2,761,468	2,417,196	2,265,625	2,596,783	2,469,123
Housing and development	795,127	779,043	882,691	859,778	896,855
Intergovernmental	1,481,675	1,760,066	2,278,890	304,851	312,493
Capital outlay	1,255,926	3,591,788	2,954,068	1,259,214	9,370,601
Debt service:					
Principal	3,891,216	4,036,121	4,081,346	4,140,010	3,306,685
Interest	935,960	780,656	645,223	431,669	438,481
Issuance costs	-	-	-	-	250,572
Total Expenditures	<u>52,838,144</u>	<u>53,467,981</u>	<u>53,551,672</u>	<u>50,729,065</u>	<u>59,045,915</u>
Excess of Revenues					
Over (Under) Expenditures	<u>2,034,299</u>	<u>(1,781,008)</u>	<u>1,538,201</u>	<u>405,853</u>	<u>(9,230,875)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,535,051	1,309,771	1,636,593	1,799,381	2,924,615
Transfers out	(1,535,051)	(1,309,771)	(1,636,593)	(1,799,381)	(2,924,615)
Issuance of general obligation bonds	-	-	-	-	8,800,000
Premium on bond issue	-	-	-	-	1,019,527
Capital leases	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,819,527</u>
Net Change in Fund Balances	<u>\$ 2,034,299</u>	<u>\$ (1,781,008)</u>	<u>\$ 1,538,201</u>	<u>\$ 405,853</u>	<u>\$ 588,652</u>
Debt Service as a Percentage of Non-capital Expenditures	9.57%	9.89%	9.12%	9.62%	6.85%

NOTES:

(1) Prior to fiscal year 2009, intergovernmental expenditures were included with General Government.

Fiscal Year Ended June 30,				
2017	2018	2019	2020	2021
\$ 40,931,615	\$ 41,809,792	\$ 44,605,309	\$ 49,534,574	\$ 54,124,918
392,243	444,861	543,445	500,423	978,071
1,572,996	2,720,819	2,935,975	2,915,204	4,769,254
1,553,137	2,346,158	2,204,448	1,983,126	1,964,327
6,303,136	6,588,044	7,093,240	7,124,450	7,231,672
165,022	222,788	341,954	312,438	144,945
15,310	13,465	12,547	31,035	4,695
194,690	194,408	194,330	196,828	190,396
1,878,492	2,150,224	2,246,691	2,307,375	2,589,464
53,006,641	56,490,559	60,177,939	64,905,453	71,997,742
6,159,612	7,083,845	6,279,108	8,362,276	12,239,923
4,396,908	4,722,297	4,798,893	4,987,513	5,137,452
28,851,742	29,508,660	31,042,684	31,789,250	34,837,175
3,712,824	4,279,733	5,279,609	4,595,151	4,696,304
542,743	976,264	1,006,296	973,796	1,122,462
2,543,356	2,822,324	3,003,876	3,176,433	2,952,576
1,293,733	1,111,086	1,280,492	1,489,274	2,722,062
-	-	-	-	-
8,347,006	7,738,743	1,140,703	4,137,636	4,652,555
-	58,817	362,108	372,799	3,284,000
381,967	504,452	578,032	567,379	641,075
-	-	-	-	-
56,229,891	58,806,221	54,771,801	60,451,507	72,285,584
(3,223,250)	(2,315,662)	5,406,138	4,453,946	(287,842)
2,579,853	2,662,287	3,120,878	1,731,849	3,931,513
(2,579,853)	(2,662,287)	(3,120,878)	(1,731,849)	(3,931,513)
-	-	-	-	-
-	-	-	-	-
458,342	-	547,940	4,929,585	-
458,342	-	547,940	4,929,585	-
\$ (2,764,908)	\$ (2,315,662)	\$ 5,954,078	\$ 9,383,531	\$ (287,842)
0.79%	1.03%	1.86%	1.69%	5.77%

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	
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
2021	1,871,596,468	28,964,911	476,686	405,035	216,728,158	1,684,714,942

SOURCE:

Spalding County Board of Equalization and Assessment

NOTES:

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

Total Taxable Property		Assessed Value as a Percentage of Actual Value
Total Direct Tax Rate	Estimated Actual Value	
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%
16.14	4,211,787,355	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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Spalding County direct rates:										
Unincorporated maintenance										
and operations	18.50	18.73	19.70	19.62	19.60	19.32	18.85	19.95	19.93	19.67
Sales tax reduction	(3.49)	(3.72)	(3.69)	(3.61)	(3.59)	(3.66)	(3.49)	(3.42)	(3.40)	(3.53)
Total direct rate	15.01	15.01	16.01	16.01	16.01	15.66	15.36	16.53	16.54	16.14
Municipal rates:										
City of Griffin:										
Maintenance and operations	8.63	8.61	7.33	7.89	7.89	7.77	7.64	7.64	7.08	7.08
City of Orchard Hill maintenance										
and operations	4.95	5.00	6.31	6.31	6.31	6.31	5.94	5.94	5.61	5.63
City of Sunny Side maintenance										
and operations	4.29	4.08	5.00	5.00	5.00	5.00	5.00	5.00	4.79	4.72
Fire protection (1)	5.92	6.00	6.10	6.22	6.31	5.91	5.84	6.06	6.11	6.11
Insurance premium rollback (1)	(1.75)	(1.83)	(1.93)	(2.05)	(2.14)	(2.30)	(2.23)	(2.45)	(2.50)	(2.50)
Board of Education	19.06	19.47	19.47	19.47	18.74	18.57	18.20	18.07	17.08	16.74
State of Georgia	0.25	0.20	0.15	0.10	0.05	-	-	-	-	-
Total Unincorporated										
Spalding County	38.49	38.85	39.80	39.75	38.97	37.84	37.17	38.21	37.23	36.49
Total Municipalities:										
City of Griffin	42.95	43.29	42.96	43.47	42.69	42.00	41.20	42.24	40.70	39.96
City of Orchard Hill	39.27	39.68	41.94	41.89	41.11	40.54	39.51	40.54	39.23	38.51
City of Sunny Side	38.61	38.76	40.63	40.58	39.80	39.23	38.56	39.60	38.41	37.60

SOURCE:

Spalding County Tax Commissioner's Office

NOTE:

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

SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	Fiscal Year 2021		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pulte Home Company LLC	Sun City Peachtree retirement community	\$ 6,137,735	1	0.36%
Caterpillar, Inc.	Power generation systems	22,444,558	2	1.33%
Transcontinental US LLC	Flexible packaging manufacturing	12,323,634	3	0.73%
Central Georgia EMC	Public utility	9,823,650	4	0.58%
Dematic Corporation	Supply chain automation and logistics	9,728,553	5	0.58%
Halpern Enterprises	Commercial real estate	9,812,678	6	0.58%
Sumika Polymer Compounds America	Plastic compounds for automotive parts	9,524,255	7	0.57%
Norcom	School paper products	23,997,131	8	1.42%
Wal-Mart Stores, Inc.	Retail	9,609,731	9	0.57%
Toppan USA Inc.	GE film (plastic)	20,900,040	10	1.24%
Hoshizaki Americas, Inc.	Commercial refrigeration systems	-	-	-
Wellstar Spalding Regional Hospital	Hospital/health care	-	-	-
A E P Industries	Packaging film manufacturing	-	-	-
First National Bank of Griffin	Financial Institution	-	-	-
Norfolk Southern Corporation	Public utility	-	-	-
Total		<u>\$ 134,301,966</u>		<u>7.97%</u>

SOURCE:

Spalding County Tax Commissioner's Office

Fiscal Year 2012			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$	14,078,382	3	0.98%
	53,275,572	1	3.71%
	7,864,882	8	0.55%
	3,380,201	5	0.24%
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	7,647,344	4	0.53%
	-	-	-
	6,539,912	7	0.45%
	14,201,168	2	0.99%
	10,125,077	6	0.70%
	9,215,496	9	0.64%
	5,452,034	10	0.38%
\$	131,780,070		9.17%

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
2012	\$ 21,583,364	\$ 20,165,501	93.43%	\$ 1,082,875	\$ 21,248,376	98.45%
2013	20,986,164	19,551,976	93.17%	1,256,008	20,807,984	99.15%
2014	22,504,182	21,422,273	95.19%	1,088,426	22,510,699	100.03%
2015	21,782,510	19,683,567	90.36%	1,019,336	20,702,903	95.04%
2016	22,338,600	20,805,491	93.14%	813,570	21,619,061	96.78%
2017	22,489,752	20,797,500	92.48%	821,568	21,619,068	96.13%
2018	22,465,824	21,133,423	94.07%	693,179	21,826,602	97.15%
2019	24,670,669	22,691,502	91.98%	589,349	23,280,851	94.37%
2020	26,175,770	24,430,912	93.33%	721,669	25,152,581	96.09%
2021	27,187,930	25,437,745	93.56%	-	25,437,745	93.56%

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)
2012	\$ 9,652,215	\$ 5,867,627	\$ -	\$ 2,596,536	\$ 18,116,378	0.96%	284
2013	6,532,634	5,474,116	-	2,053,926	14,060,676	0.75%	221
2014	3,313,053	5,061,581	-	1,585,115	9,959,749	0.53%	156
2015	-	4,620,000	-	1,186,684	5,806,684	0.30%	91
2016	9,819,527	2,500,000	-	-	12,319,527	0.61%	191
2017	9,661,490	2,500,000	3,300,000	458,342	15,919,832	0.75%	244
2018	9,471,847	2,500,000	3,285,000	399,525	15,656,372	0.72%	237
2019	9,282,204	2,500,000	3,052,500	817,857	15,652,561	0.69%	234
2020	9,092,559	2,500,000	2,815,000	5,612,143	20,019,702	0.84%	297
2021	6,052,922	2,500,000	2,570,000	5,443,143	16,566,065	0.63%	246

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)
2012	\$ 9,652,215	\$ 3,673,987	\$ 5,978,228	0.17%	94
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	-	-	-	-	-
2016	9,819,527	253,965	9,565,562	0.27%	148
2017	9,661,490	151,150	9,510,340	0.26%	146
2018	9,471,847	572,520	8,899,327	0.24%	135
2019	9,282,204	634,522	8,647,682	0.23%	129
2020	9,092,559	3,702,694	5,389,865	0.13%	80
2021	6,059,922	3,038,100	3,021,822	0.07%	45

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,				
	2012	2013	2014	2015	2016
Debt limit	\$ 143,791,843	\$ 139,808,821	\$ 140,559,346	\$ 136,055,655	\$ 139,529,044
Total net debt applicable to limit	9,600,000	6,500,000	3,300,000	-	8,800,000
Legal debt margin	<u>\$ 134,191,843</u>	<u>\$ 133,308,821</u>	<u>\$ 137,259,346</u>	<u>\$ 136,055,655</u>	<u>\$ 130,729,044</u>
Total net debt applicable to the limit as a percentage of debt limit	6.68%	4.65%	2.35%	0.00%	6.31%

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,				
2017	2018	2019	2020	2021
\$ 143,612,721	\$ 146,261,872	\$ 149,204,642	\$ 161,755,050	\$ 168,471,494
8,800,000	8,800,000	8,800,000	8,800,000	5,930,000
<u>\$ 134,812,721</u>	<u>\$ 137,461,872</u>	<u>\$ 140,404,642</u>	<u>\$ 152,955,050</u>	<u>\$ 162,541,494</u>
6.13%	6.02%	5.90%	5.44%	3.52%

Legal Debt Margin Calculation for Fiscal Year 2021

Total assessed value	\$ 1,901,443,100
Less exemptions	216,728,158
Total taxable assessed value	<u>1,684,714,942</u>
Debt limit (10% of assessed value)	168,471,494
Debt applicable to limit:	
General obligation bonds	<u>5,930,000</u>
Total net debt applicable to limit	<u>5,930,000</u>
Legal debt margin	<u><u>\$ 162,541,494</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)
2012	63,693	\$ 1,887,287	\$ 29,631	10,614	12.70%
2013	63,521	1,866,984	29,392	10,582	12.00%
2014	63,703	1,876,855	29,463	10,626	9.80%
2015	63,826	1,944,012	30,458	10,474	8.40%
2016	64,523	2,029,856	31,459	10,261	7.00%
2017	65,348	2,120,825	32,454	10,305	6.10%
2018	66,092	2,175,022	32,909	10,383	5.10%
2019	66,835	2,268,227	33,938	10,353	4.40%
2020	67,414	2,377,913	35,273	10,207	9.80%
2021	67,306	2,615,132	38,854	9,667	5.20%

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 2021			Fiscal Year 2012		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County							
School System	Education	\$ 1,452	1	4.63 %	\$ 1,550	1	5.18 %
Caterpillar, Inc.	Automotive generators	900	2	2.87	900	2	3.01
Wellstar Spalding Regional							
Medical Center	Healthcare	900	3	2.87	900	3	3.01
Southern Crescent							
Technical College	Education	640	4	2.04	360	8	1
Spalding County	Government	601	6	1.92	611	4	2.04
CareMaster Medical	Home Nursing	600	5	1.91			
City of Griffin	Government	466	7	1.49	490	5	1.64
University of Georgia Griffin	Agricultural research						
Campus	education	405	8	1.29	405	6	1.35
Norcom	School supplies	280	9	0.89	280	9	0.94
1888 Mills/Southern Terry	Terry cloth towels	278	10	0.89	375	7	1.25
AEP Industries, Inc.	Packaging film	-		-	250	10	0.84
		<u>\$ 6,522</u>		<u>20.80 %</u>	<u>\$ 6,121</u>		<u>20.46 %</u>

SOURCE:

Griffin-Spalding County Development Authority

SPALDING COUNTY, GEORGIA

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

Function	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	50	49	45	46	48	47	49	49	50	51
Judicial	51	50	48	47	43	42	42	43	43	44
Public Safety										
Sheriff										
Officers	155	155	155	157	157	144	176	175	175	169
Civilians	40	38	35	38	35	31	24	24	25	31
Correctional Institution										
Officers	78	77	77	74	75	73	72	72	75	77
Civilians	7	6	6	6	7	6	10	10	10	7
Fire										
Firefighters and officers	82	81	81	82	81	74	81	81	81	81
Civilians	2	1	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	24	26	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	32	32	26	32	32	33	33
Solid waste	17	10	10	9	10	9	10	10	10	10
Health and Welfare	1	1	1	1	5	5	5	6	5	5
Culture and Recreation	38	36	34	31	34	32	38	37	37	37
Housing and Development	15	15	15	12	12	12	14	11	10	11
Total Governmental Funds	611	594	583	576	580	540	594	589	595	597

SOURCE:

Spalding County Human Resources Department

SPALDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Sheriff:										
Physical arrests	2,477	1,124	1,019	1,764	1,376	5,254	2,978	1,827	3,149	2,510
Traffic violations	1,397	1,528	1,125	679	640	1,693	3,395	3,903	3,709	3,775
Fire District:										
Calls answered	1,619	1,734	1,747	2,379	3,534	3,442	3,944	2,959	2,709	3,076
Inspections	311	267	390	265	512	457	334	697	315	395
Public Works										
Street resurfacing (miles)	7	6	27	-	15	17	12	-	13	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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	45	53	40	48	50	49	49	49	54	54
Fire District:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire trucks	9	11	9	10	12	11	12	11	12	12
Public Works										
Roads (miles)	446	447	448	451	457	457	458	458	471	472
Culture and Recreation										
Parks acreage	509	509	509	509	509	509	509	509	509	557
Playgrounds	13	13	13	13	13	13	17	21	22	24
Baseball/Softball diamonds	20	20	20	20	20	20	20	20	20	19
Soccer fields	7	7	7	7	7	7	7	7	7	7
Football fields	3	3	2	2	2	2	2	2	2	2
Recreation centers	4	4	4	3	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	10	11	11	11
Disc golf courses	-	-	-	-	1	1	2	3	4	4
Skate parks	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	-	-	-	18	18	18	18
Bike/Hiking trails	-	-	-	-	-	-	-	-	-	1
Dog park	-	-	-	-	-	-	-	-	-	1
Community garden	-	-	-	-	-	-	-	-	-	1

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>
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
2021	12,201,387

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	
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	368,313	1,078,313	2.19
2020	9,244,400	6,945,144	2,299,256	810,000	331,694	1,141,694	2.01
2021	9,382,775	6,907,992	2,474,783	880,000	298,525	1,178,525	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	17,502,340	\$ 190,163	2.06 %
Trimark Northside	Apartment Homes	2	14,398,477	155,634	1.69
Caterpillar	Power Generation Systems	3	7,657,190	83,535	0.91
Spalding CI	Government	4	6,699,359	83,535	0.91
Sumika	Polypropylene Products	5	6,415,012	69,799	0.76
Brightmoor	Nursing Home	6	4,838,877	52,671	0.57
Walker Concrete	Concrete Company	7	4,044,655	43,813	0.48
AEP	Packaging Film	8	3,777,127	40,900	0.44
Wolf Creek Homes	Town Home Community	9	3,072,497	33,503	0.36
Griffin Lodging	Hotel	10	2,601,871	28,103	0.30
Total			<u>71,007,405</u>	<u>\$ 781,655</u>	<u>8.48 %</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
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
2021	13,756	804,037,070	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>
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
2021	5,372,459	6.72

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. SUPPLEMENTAL SCHEDULE

Supplemental Schedules are used to demonstrate finance-related legal and contractual compliance, provide details of data summarized in the financial statements and present other information deemed useful.

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>State Program Name</u>	<u>Contract Number</u>	<u>Contract Period</u>	<u>Due From State June 30, 2020</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Due From State June 30, 2021</u>
Community Services Block Grant	42700-040-0000096875	July 2020 - September 2020	\$ 31,820	\$ 63,857	\$ 32,037	\$ -
Community Services Block Grant	42700-040-0000088063	October 2020 - June 2021	-	78,613	97,919	19,306
			<u>\$ 31,820</u>	<u>\$ 142,470</u>	<u>\$ 129,956</u>	<u>\$ 19,306</u>

SPALDING COUNTY, GEORGIA

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2021**

SPALDING COUNTY, GEORGIA

**SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2021, 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 20, 2021. Our report includes a reference to other auditors who audited the financial statements of the Spalding County Board of 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. Our report also includes a reference to the change in accounting principal resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of July 1, 2020.

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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 20, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance For Each Major Federal Program

We have audited Spalding County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Spalding County Board of Health and the Griffin-Spalding County Development Authority, which received federal awards which is not included in the schedule of expenditures of federal awards of the County for the year ended June 30, 2021. Our audit, described below, did not include the operations of the Spalding County Board of Health and the Griffin-Spalding County Development Authority as the component units engaged other auditors to perform audits in accordance with the *Uniform Guidance*.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 20, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Macon, Georgia
December 20, 2021

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF TREASURY				
Passed through Georgia Office of Planning and Budget: COVID-19 - Coronavirus Relief Fund	21.019	GA-0000055	\$ 2,278,067	\$ -
Total U.S. Department of Treasury			2,278,067	-
U.S. DEPARTMENT OF JUSTICE				
Passed through Criminal Justice Coordinating Council: 2021 Victims of Crime Act Grant	16.575	C18-8-488	24,337	-
2020 Victims of Crime Act Grant	16.575	C18-8-233	9,317	-
			33,654	-
Total U.S. Department of Justice			33,654	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Georgia Emergency Management Agency: Emergency Management Performance Grant	97.042	EMA-2020-EP-00012	19,220	-
Total U.S. Department of Homeland Security			19,220	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Georgia Department of Community Affairs: CDBG - State Administered CDBG Cluster	14.228	18p-y-126-1-6089	659,454	-
Total U.S. Department of Housing and Urban Development			659,454	-
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Georgia Department of Natural Resources: Highway Planning and Construction Cluster Georgia Recreational Trails Program	20.219	NTR-16(08)	48,844	-
Total U.S. Department of Transportation			48,844	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Georgia Department of Human Services: 477 Cluster				
Community Service Block Grant	93.569	42700-040-0000096875	97,919	-
Community Service Block Grant	93.569	42700-040-0000088063	32,037	-
COVID-19 - Coronavirus Relief Fund	93.569	42700-040-0000096939	214,826	-
Total 477 Cluster			344,782	-
Aging Cluster				
Nutrition Services	93.045	42700-373-0000049525	175,277	-
COVID-19 - Coronavirus Relief Fund	93.045	42700-373-0000049525	120,469	-
Nutrition Services Incentive Program	93.053	42700-373-0000049525	30,355	-
Total Aging Cluster			326,101	-
Social Services Block Grant	93.667	42700-373-0000049525	8,343	-
Total U.S. Department of Health and Human Services			679,226	-
Total Expenditures of Federal Awards			\$ 3,718,465	\$ -

SPALDING COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spalding County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis indirect cost rate for the year ended June 30, 2021.

NOTE 3. NON-CASH AWARDS

Spalding County, Georgia did not receive non-cash federal awards during the year ended June 30, 2021.

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Internal control over financial reporting:
Material weaknesses identified? ____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses? ____ Yes X None reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform Guidance? ____ Yes X No

Identification of major program:

CFDA Number
21.019

Name of Federal Program or Cluster
COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between
Type A and Type B programs \$750,000

Auditee qualified a low risk auditee? ____ Yes X No

SPALDING COUNTY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS**

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, 2021

None reported.