

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

HENRY COUNTY GA
1821

Henry County, Georgia
Year Ended June 30, 2016

HENRY COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared By:
Fredric L. Auletta,
Financial Services Director

INTRODUCTORY SECTION

HENRY COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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Board of Commissioners

Tommy N. Smith
Chairman

William "Bo" Moss
District I

Brian Preston
District II

Gary Barham
District III

Blake Prince
District IV

Bruce B. Holmes
District V

Administrators

Lyndon L. Bonner
County Manager

Stephanie Braun
County Clerk

140 Henry Parkway
McDonough, GA 30253
770.288-6000
FAX 678.814.4559
www.co.henry.ga.us

December 22, 2016

To the Honorable Chairman, Distinguished Members of the County Commission
And the Citizens of Henry County:

Ladies and Gentlemen:

We are honored to hereby present Henry County's Comprehensive Annual Financial Report. The report is as of and for the year ended June 30, 2016. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Henry County. To provide a reasonable basis for making these representations, Henry County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to complete sufficient reliable information for the preparation of the County's financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups and component units of Henry County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Henry County's financial statements have been audited by Mauldin & Jenkins, Certified Public Accountants, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. Our auditors have issued an unqualified opinion of Henry County's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of Henry County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements; with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in a separate Single Audit 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 complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Henry County was formed in 1821 from Creek Indian Lands. Georgia's 50th county is located in the north central portion of the State of Georgia, approximately 25 miles southeast of the City of Atlanta, and is considered part of the metropolitan Atlanta area. Henry County currently occupies 322.7 square miles of land and serves a population of approximately 217,740. Henry County is empowered to levy a property tax on both real and personal property located within its boundaries.

Henry County is bordered on the north by DeKalb County, on the east by Rockdale and Newton Counties, on the south by Spalding and Butts Counties, and on the west by Clayton County. Four incorporated municipalities are located within Henry County: McDonough, which is the County seat, Stockbridge, Hampton, and Locust Grove.

The governing authority of Henry County is a Board of Commissioners consisting of five members elected by district and a Chairman elected at large. 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 the County's Manager, Clerk, Communications Director, Risk Management Safety Officer and Attorney. In 1974, the General Assembly of Georgia created the position of County Administrator for Henry County. This position was changed to County Manager in 1992. The County Manger is responsible for the administration of all of the affairs of the County over which he has jurisdiction, including offering positions of classified employment, as well as appointing heads of various departments.

Henry County provides a full range of services, including law enforcement with the exception of three municipalities; 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; voter registration and election; court systems; tax assessment and collection; building inspections; geographic information system; planning and zoning; recycling; and general administrative and support activities. The County also provides fire protection and emergency medical services to the incorporated and unincorporated areas within its boundaries with the exception of the City of McDonough for fire protection.

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. Henry County Water Authority, the Henry County Health Department, the Henry County Library System, and the Henry County Development Authority are all included as an integral part of Henry County's financial statements. Additional information on all four of these legally separate entities can be found in Notes to the Financial Statements.

The annual budget serves as the foundation for Henry County's financial planning and control. All departments and agencies of Henry County are required to submit requests for appropriation to the County Manager in March each year. The County Manger uses these requests as the starting point for developing a proposed budget. The County Manager then works in collaboration with the Chairman to finalize the budget, as per 2015 State legislator change. The Chairman will then presents as the 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, per Henry County's charter, by May 31st, for June 30th 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.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Henry County is strategically located along I-75 with a total of seven interchanges within its borders. Henry County is just minutes from Atlanta, the business capital of the American South, and Hartsfield-Jackson Atlanta International Airport, the World's busiest. Our outstanding labor force, abundant higher education opportunities, and high quality but affordable housing continues to make Henry County a powerful choice to live, work and play. State and national economic indicators still place Henry County in an enviable position as one of the nation's fastest-growing communities. Henry County has a rich variety of retail establishments, from large stores in outlying shopping centers to small mom and pop shops that serve the downtown areas. In fact, the Tanger Factory Outlet in Locust Grove draws more than 2 million shoppers annually. According to CNNMoney.com, "Henry County is a thriving commerce center mixed with big-box retail, abundant health care services and a nurturing attitude toward small businesses." CNN Money ranked Henry County 7th in overall job growth stating a 60.5% job growth between 2000 and 2008. In the fall of 2014 Southern Crescent Technical College opened the first building of a proposed eight-building campus in McDonough and Henry County which will serve as an Academy for Advanced Studies, a Charter College, and a Career Academy. These

educational programs will better prepare Henry County Students for college and careers after high school, which in turn will provide a skilled work force for our existing and future employers.

In addition to the permanent residents and businesses of Henry County, the County hosts major sporting events each year aiding in the export of our tax burden through our Local and Special Local Option Sales Taxes. In March, the National Association of Stock Car Racing (NASCAR) event is held each year at the Atlanta Motor Speedway in Hampton, which is said to bring in more visitors than any other sport in Georgia and bring a half billion dollars to the region each year. Currently more than 37 hotel and motel facilities provide over 2,492 guest rooms throughout the County.

Major Initiatives. During the reported fiscal year, a $10,000,000 bond obligation was refunded resulting in almost a $3,350,000 savings to the county. In addition to the savings, the debt payment term was reduced from payments through fiscal year 2032 to the last payment now on August, 2021 (FY2022). The county will have less than $2,700,000 outstanding in principal and interest after fiscal year 2022. Almost $1,250,000 of this will be paid in fiscal year 2023. This than puts the county in a position during fiscal year 2024, or earlier, to pay-off this remaining less than $1,400,000 in principal to save interest on that debt and have the County's General Fund become debt free.

The county has embarked upon its first five year budget to account for past deferrals brought about by the recent "Great Recession".

In Fiscal Year 2014, the citizens of Henry County passed a referendum for the next phase (IV) of the Special Purpose Local Option Sales Tax (SPLOST) program. The SPLOST IV program, with collections beginning April 1, 2014 and ending March 31, 2020, is expected to collect over $190,000,000 in revenue. The funds will be used to enhance the overall social well-being of the County through various transportation, equipment and capital projects. Among the most notable of the capital projects include Fairview Community Park, the construction of 3 new fire stations with equipment and replacement of another, E 911 radio replacement, Kellytown Park, and the District II Senior/Recreation Center. Some of the major transportation projects that will be completed in the SPLOST IV program include the extension of McDonough Parkway, Rock Quarry Road widening, Hemphill Rd at SR138 intersection improvement, Anvil Block Road widening and West Panola Rd. Many of these proposed projects

will also make Henry County a more attractive place to do business. Bringing new companies to the area will create new jobs and bolster the local economy. The County also continues to complete a remaining major project from the SPLOST III program which began in April of 2008 and ended in April of 2014. The entire revenue stream for SPLOST III has been collected. The funds remaining are being used to complete the vital project Campground Road. In prior years, the Henry County Board of Commissioners, together with the SPLOST Department, have completed many capital projects that have proved to greatly benefit the citizens of Henry County, including the Judicial Center Parking Deck, the Locust Grove Senior Center, the Domestic Violence Center, the Emergency Operations center, Warren Holder Park, North Mt. Carmel Park, the Hampton Library, the Locust Grove Recreation Center, and the Fairview Recreation Center. Major transportation projects that have greatly improved Henry County's flow of traffic for its citizens and schools include Eagles Landing Parkway, Hudson Bridge Road, Rocky Creek Road to Hampton/Locust Grove Road, Rock Quarry Road Bridge, and East Lake Road.

As part of the Metropolitan North Georgia Water Planning District (MNGWPD) Model Floodplain Management/Flood Damage Prevention Ordinance, the Henry County Stormwater Department is continuing with updating a comprehensive mapping process. The maps allow developers, builders and residents to make sure all structures are built outside of the floodplain, saving them both time and money. In addition, homeowners are able to learn if parts of their property are in a flood plain. The findings and resulting data are free to the public.

The Henry County Board of Commissioners continues to implement a program to help local businesses and bolster our local economy. The policy, known as the *Henry First* initiative builds on the foundation of the *One Henry* initiative, which brought the County and cities together as a unified voice, strategically positioning Henry County to better compete for funding assistance. On bids of $100,000 or less, a five percent (5%) consideration will be given to businesses that lie within the geographical boundaries of Henry County. Thus, even if a Henry County business is not the low bidder for a specific project, but is within five percent of the lowest bid, the Henry County Board of Commissioners will use Henry First and may award the bid to the local business. These businesses provide a convenient place to shop or dine, provide jobs for our citizens, create a strong tax base, and contribute to our SPLOST programs.

One major project undertaken by the State of Georgia Department of Transportation has been to add two lanes of Henry County's major thoroughfare, Interstate 75. With Georgia being a destination state from Northern visitors as well as a gateway to Florida. We see an abundant amount of traffic congestion going both North and South at various times of the year. The project is due to be completed January 2017 and will also greatly enhance Henry County commuters that work in Atlanta.

Cash Management Policies and Practices. Henry County has a responsibility to carefully account for public funds, to manage County finances wisely, and to plan for the provision of public services. The process is complex because unlike private businesses, Henry County has a broader range of responsibilities. The County is expected to address the community's social issues, protect the citizens' interest, provide public safety, and enforce laws and regulations. The key values of the County's financial management include fiscal integrity, prudence, planning, accountability, honesty, and transparency. Specifically, it is the County's intent to maximize the level of public goods and services while minimizing the level of debt. In this effort, Henry County has contracted with SunTrust Bank to provide banking services, and Regions Bank to provide investment services. All operating funds of the county are carried in interest-bearing Public Funds Interest Checking Accounts, Public Funds Interest Money Market Accounts and the Georgia Fund One, which bear interest at a special rate for non-profit and government entities, as well as East West Bank to obtain a greater interest rate return with 110% collateralization through irrevocable letters of credit with the Federal Home Loan Bank of San Francisco. The County does not currently incur financial fees or charges for banking services. In relation to our prudent financial management, Henry County maintains an Aa1 credit rating from Moody's Investor Services and AA from Standards and Poor. These ratings produce significant interest savings and are solid evidence of our financial strength and stability.

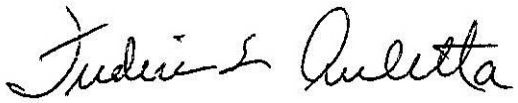
Awards and Acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Henry County, Georgia for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the eleventh year that the county received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report (CAFR) continues to follow the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). We believe the data presented in this report are accurate in all material respects and conforms to the standards of the GFOA program for the Certificate of Achievement. Accordingly, we are submitting this report to GFOA for evaluation of eligibility for another certificate.

In addition, Henry County also received our 10th GFOA Award for Outstanding Achievement in Popular Financial Reporting (PAFR) for the fiscal year ended June 30, 2015. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the County had to publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The active involvement and professional support of Mauldin & Jenkins CPAs, LLC, Miller Edwards, Partner, and the auditing staff have been instrumental to the completion of the associated audit of this report. The cooperation of various Elected Officials, appointed management, and the Finance Department Staff has been invaluable. We express our appreciation to all those who contributed to its preparation. Finally, we would like to thank the Board of Commissioners for their leadership and support in conducting the financial affairs of Henry County in a responsible and progressive manner.

Respectfully submitted,



Fredric L. Auletta
Financial Services Director



Lyndon L. Bonner
County Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Henry County

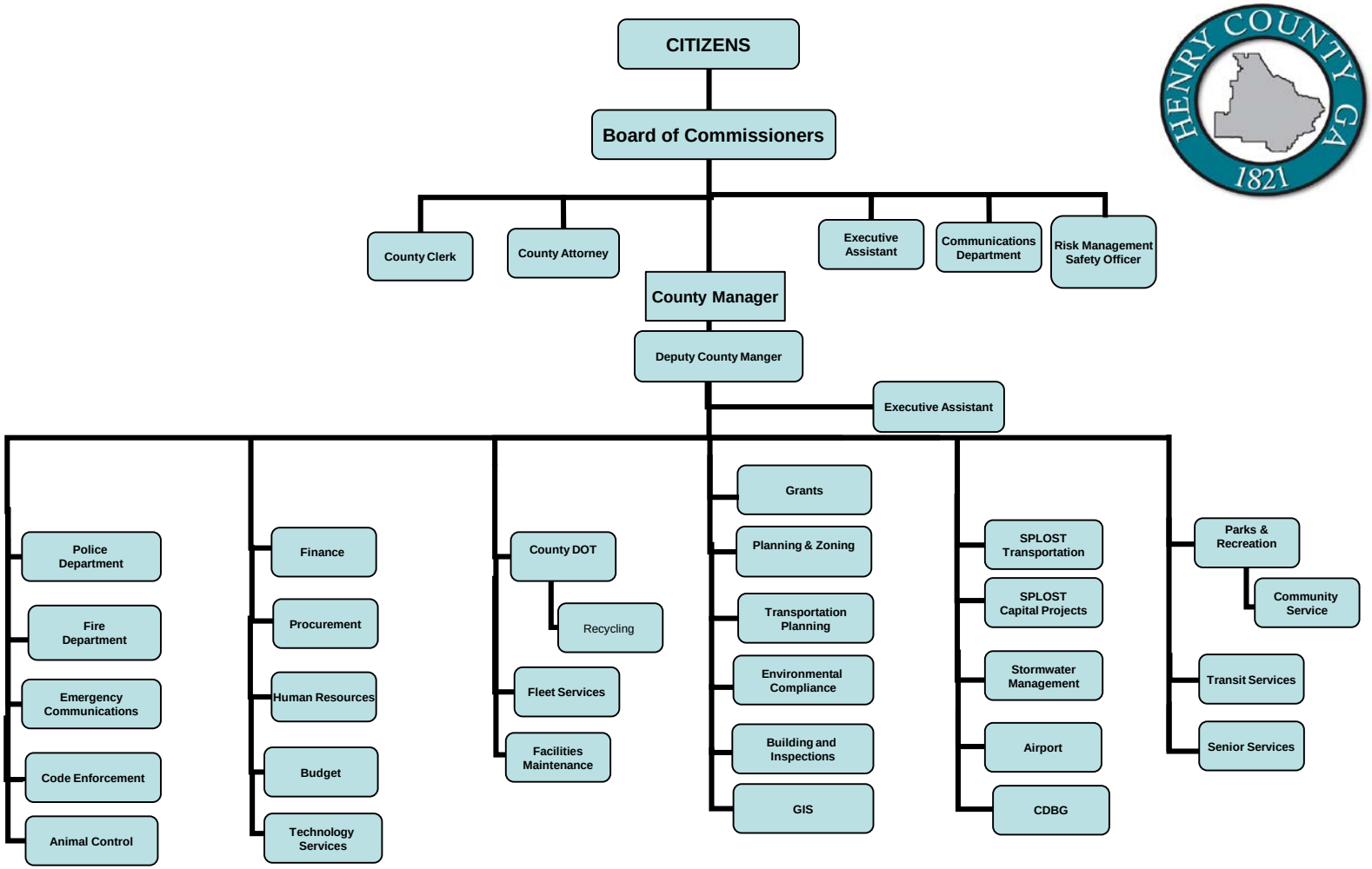
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Henry County Board of Commissioners



Unofficial Organizational Chart

HENRY COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2016

Elected Officials

Chairman, At Large	**Tommy N. Smith**
District 1, Vice Chairman	**William "Bo" Moss**
District 2	**Brian Preston**
District 3	**Gary Barham**
District 4	**Blake Prince**
District 5	**Bruce Holmes**
Tax Commissioner	**David Curry**
Sheriff	**Keith McBrayer**
Clerk of Superior Court	**Barbara Harrison**
Superior Court Judge	**Arch McGarity**
Superior Court Judge	**Wade Crumbley**
Superior Court Judge	**Brian Amero**
State Court Judge	**Ben Studdard**
State Court Judge	**James Chafin**
State Court Judge	**Ernest Blount**
State Court Judge	**Jason Harper**
Probate Court Judge	**Kelley Powell**
Magistrate Court Judge	**Robert Godwin**
District Attorney	**James L. Wright, III**
Solicitor	**Trea Pipkin**

Principal Officials

County Manager	**Lyndon L. Bonner**
Assistant County Manager	**Cheri Hobson-Matthews**
County Clerk	**Stephanie Braun**
Fire Chief	**Brenda N. Willis**
Police Chief	**Keith Nichols**
Director of Financial Services	**Fredric L. Auletta**

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Henry County, Georgia
McDonough, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Henry County, Georgia** (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Henry County, Georgia'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 Henry County Department of Public Health, which represent 0.14 percent, 0.01 percent, and 0.77 percent, respectively, of the assets and deferred outflows of resources, 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 Henry County Department of Public Health, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Henry County, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Neighborhood Stabilization Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the:

- Management's Discussion and Analysis (on pages 6 through 20),
- Schedule of Changes in the County's Net Pension Liability (on pages 118 and 119),
- Schedule of County Contributions (on page 120),
- Schedule of Changes in Net Pension Liability and Related Ratios – Water Authority (on pages 121 and 122),
- Schedule of Contributions – Water Authority (on pages 123),
- Schedule of Proportionate Share of Net Pension Liability – Employees' Retirement System – Health Department (on pages 124),
- Schedule of Contributions – Employees' Retirement System – Health Department (on page 125),
- Notes to Required Supplementary Information – Employees' Retirement System – Health Department (on page 126),
- Schedule of Proportionate Share of Net Pension Liability – Teachers' Retirement System of Georgia – Library System (on pages 127),
- Schedule of Contributions – Teachers' Retirement System of Georgia – Library System (on page 128), and
- Notes to Required Supplementary Information – Teachers' Retirement System of Georgia – Library System (on page 129)

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 Henry County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section, 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 48-8-121, and are not a required part of the basic financial statements.

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

The introductory and statistical sections 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 22, 2016 on our consideration of Henry County, Georgia'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 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 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 Henry County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 22, 2016

HENRY COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2016

As management of Henry County, Georgia, we offer readers of Henry County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements.

Financial Highlights

- At June 30, 2016, the County's General Fund reported a total fund balance of $63,145,159, an increase of $11,024,435, or 21.16%, from our last fiscal year.
- The assets of Henry County exceeded its liabilities at June 30, 2016, by $710,436,236 (net position) which is an increase of $20,253,840 over the previous year. Of the $710,436,236, $43,250,578 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The 2014 Special Purpose Local Option Sales Tax (SPLOST) generated total revenues of $34,490,810 during fiscal year 2016.
- The Henry County Neighborhood Stabilization Program (NSP) funds received $3,968,104 in revenues and had expenditures of $4,944,126 which created a decrease in fund balances of $976,022 leaving $180,530 in fund balances at fiscal year-end 2016.
- During fiscal year 2016, Henry County's Airport Fund recognized its fourth complete fiscal year of operations with aggregate revenues and capital contributions of $831,637, offset by expenses of $776,602, leaving a net profit of $55,035.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to Henry County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Henry County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as Net Position. A review of annual 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 government'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 Henry County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activities of Henry County are the Airport Fund and the Stormwater Fund.

The Government-wide Financial Statements include not only Henry County itself (known as the primary government), but also the Henry County Department of Public Health, the Henry County Library System and the Henry County Water 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 21 - 23 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Henry County maintains governmental funds to account for the following activities: **General**; **Special Revenue** (Confiscated Assets Fund, Hotel/Motel Tax Fund, E-911 Fund, Law Library Fund, Court Fund, Technology Fund, Neighborhood Stabilization Fund, Neighborhood Stabilization 3 Fund, CDBG Fund, Juvenile Assistance Fund, Grant Fund, Henry First Fund, and Drug Court Fund); **Capital Projects** (Development Authority Fund, Capital Asset Fund, 2002 SPLOST Fund, 2008 SPLOST Fund, 2014 SPLOST Fund, and Impact Fees Fund); and **Debt Service**. As major 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 Fund, Neighborhood Stabilization Fund, and 2014 SPLOST Fund. Data from the other 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. Henry County adopts an annual appropriated budget for its general, special revenue, and debt service funds. A project-length budget is adopted for the capital projects funds. A budgetary comparison statement has been provided for the General Fund. This statement is found on pages 28 - 30 of this report.

The basic Governmental Fund Financial Statements can be found on pages 24 – 31. Budgetary comparison schedules have also been included in the combining statements for other governmental funds with legally adopted annual budgets.

Proprietary Funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements and are reported as Proprietary Funds. Henry County maintains two enterprise funds. The Airport Fund and the Stormwater Fund were established for County operations that are financed and operated in a manner similar to private business enterprises. The cost (expenses, including depreciation) of providing the services to the general public is recovered in whole or in part through user charges.

The Proprietary Fund Financial Statements provide separate information for the Airport Fund (major fund) and the Stormwater Fund (nonmajor fund).

The basic proprietary fund financial statements can be found on pages 32 – 35 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support Henry County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic Fiduciary Fund Statement of Fiduciary Assets and Liabilities can be found on page 36 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 37 – 117 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Henry County, assets exceed liabilities by $710,436,236 at the close of the June 30, 2016 fiscal year.

The following analysis provides a breakdown of the County's net position in a condensed format presenting current and non-current amounts for the governmental activities as well as for the business-type activities.

Henry County's Net Position

	Governmental Activities		Business-type Activities		Total		
	2016	2015	2016	2015	2016	2015	Variance
Current and other assets	$ 169,890,735	$ 156,069,973	$ 5,734,332	$ 5,115,294	$ 175,625,067	$ 161,185,267	$ 14,439,800
Capital assets	623,301,346	623,319,350	21,627,793	21,716,004	644,929,139	645,035,354	(106,215)
Total assets	793,192,081	779,389,323	27,362,125	26,831,298	820,554,206	806,220,621	14,333,585
Deferred outflows of resources	16,987,351	3,372,826	274,463	52,058	17,261,814	3,424,884	13,836,930
Current liabilities	10,374,498	11,004,110	95,439	114,726	10,469,937	11,118,836	(648,899)
Long-term liabilities	116,183,667	107,865,456	726,180	478,817	116,909,847	108,344,273	8,565,574
Total liabilities	126,558,165	118,869,566	821,619	593,543	127,379,784	119,463,109	7,916,675
Net position:							
Net investment in capital assets	582,115,380	584,515,407	21,627,793	21,716,004	603,743,173	606,231,411	(2,488,238)
Restricted	65,792,108	66,064,179	-	-	65,792,108	66,064,179	(272,071)
Unrestricted	35,713,779	13,312,997	5,187,176	4,573,809	40,900,955	17,886,806	23,014,149
Total net position	$ 683,621,267	$ 663,892,583	$ 26,814,969	$ 26,289,813	$ 710,436,236	$ 690,182,396	$ 20,253,840

By far the largest portion of the County's net position (85%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and roads), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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 Henry County's net position ($63,442,485 or 8.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($43,250,578 or 6.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

There was an increase in current and other assets of $14,439,800 and a decrease in capital assets of $106,215 creating a total increase of $14,333,585 in total assets. The primary reason for the decrease in capital assets is the recognition of $21,996,029 of net depreciation expense as compared to net capital asset additions of $21,889,814 during the fiscal year ended June 30, 2016. Most of the capital asset additions were the result of the County's SPLOST program. The increase in current and other assets was primarily from an increase in Cash and Investments.

Long-term liabilities increased by $8,565,574. Current liabilities decreased by $648,899. The total increase in liabilities amounted to $7,916,675. The long-term liabilities primarily increased due to net pension liability. The County implemented the provisions of GASB Statement No. 68 - an amendment of GASB Statement No. 27, as well as, Statement No. 71 - an amendment of GASB Statement No. 68, effective July 1, 2014. The new standards significantly changed the County's accounting for pension amounts. The current liabilities decreased due to unearned revenue.

There was a decrease of $2,621,694 in restricted net position reported in connection with Henry County's governmental activities due to decrease in debt obligations. Several capital leases where paid off during fiscal year 2016. The restrictions are primarily for capital projects, debt service, housing and development, federal and state grants, citizen welfare, law enforcement purposes, and public safety purposes. Restrictions for capital projects are mostly restrictions for the SPLOST Funds. There were no restrictions on the net position related to the business-type activities.

Governmental activities. Governmental activities increased the County's Net Position by $19,728,684.

Key elements of the increase in governmental activities are noted in the following analysis which represents a condensed statement of activities and changes in net position:

Henry County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total		Variance
	2016	2015	2016	2015	2016	2015	Pos. (Neg.)
Program revenues:							
Charges for services	$ 32,633,191	$ 31,116,370	$ 4,102,641	$ 4,203,454	$ 36,735,832	$ 35,319,824	$ 1,416,008
Grants and contributions:							
Operating	8,568,292	11,645,382	85,000	-	8,653,292	11,645,382	(2,992,090)
Capital	171,120	85,798	47,934	179,123	219,054	264,921	(45,867)
General revenues:							
Property taxes	81,982,432	75,180,445	-	-	81,982,432	75,180,445	6,801,987
Sales taxes	57,191,007	55,524,606	-	-	57,191,007	55,524,606	1,666,401
Other taxes	11,405,368	10,650,358	-	-	11,405,368	10,650,358	755,010
Unrestricted investment earnings	320,454	75,862	4,072	2,429	324,526	78,291	246,235
Total revenues	192,271,864	184,278,821	4,239,647	4,385,006	196,511,511	188,663,827	7,847,684
Expenses, by function:							
General government	35,372,037	33,767,721	-	-	35,372,037	33,767,721	1,604,316
Judicial	16,222,745	15,274,717	-	-	16,222,745	15,274,717	948,028
Public safety	76,900,896	70,487,769	-	-	76,900,896	70,487,769	6,413,127
Public works	13,722,655	18,015,726	-	-	13,722,655	18,015,726	(4,293,071)
Health and welfare	6,578,244	5,262,317	-	-	6,578,244	5,262,317	1,315,927
Culture and recreation	12,352,146	6,981,232	-	-	12,352,146	6,981,232	5,370,914
Housing and development	10,314,651	14,259,564	-	-	10,314,651	14,259,564	(3,944,913)
Interest on long-term debt	1,380,993	1,989,276	-	-	1,380,993	1,989,276	(608,283)
Stormwater	-	-	2,636,702	2,546,551	2,636,702	2,546,551	90,151
Airport	-	-	776,602	803,658	776,602	803,658	(27,056)
Total expenses	172,844,367	166,038,322	3,413,304	3,350,209	176,257,671	169,388,531	6,869,140
Change in net position before transfers	19,427,497	18,240,499	826,343	1,034,797	20,253,840	19,275,296	978,544
Transfers	301,187	301,000	(301,187)	(301,000)	-	-	-
Increase in net position	19,728,684	18,541,499	525,156	733,797	20,253,840	19,275,296	$ 978,544
Net position, beginning of year	663,892,583	645,351,084	26,289,813	25,556,016	690,182,396	670,907,100	
Net position, end of year	$ 683,621,267	$ 663,892,583	$ 26,814,969	$ 26,289,813	$ 710,436,236	$ 690,182,396	

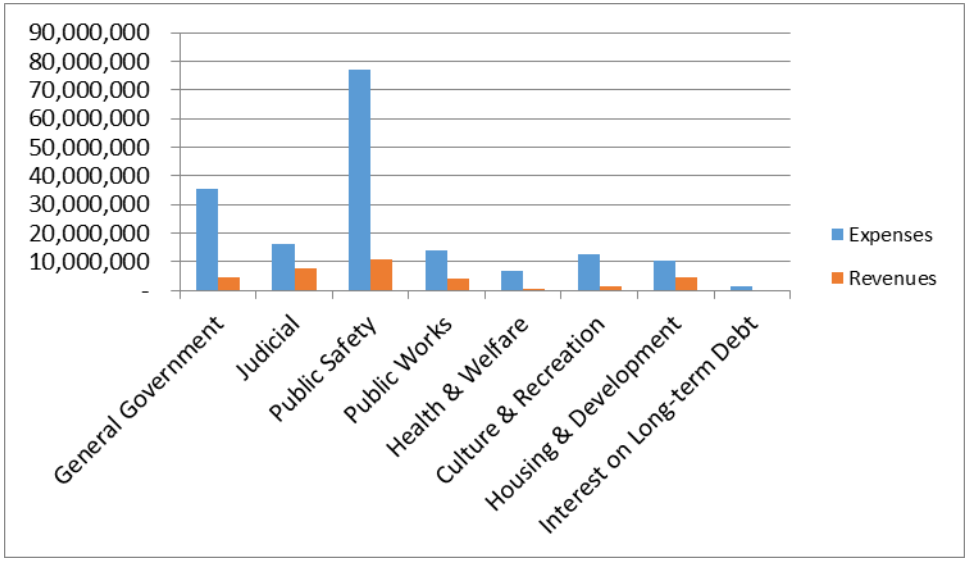
Operating grants decreased by $2,992,090 (or 25.7%). Most of the decrease is due to decrease in Housing and Development activity. Capital grants decreased by $45,867 (or 17.3%) during the year. This is mainly due to completion of construction projects for the airport.

Property Taxes increased by $6,801,987 (or 9%) during the year. Most of all this increase is due to the increase of the value of real property. Sales taxes increased by $1,666,401 (or 3%) during the year. This is mainly due to an increase in retail activity.

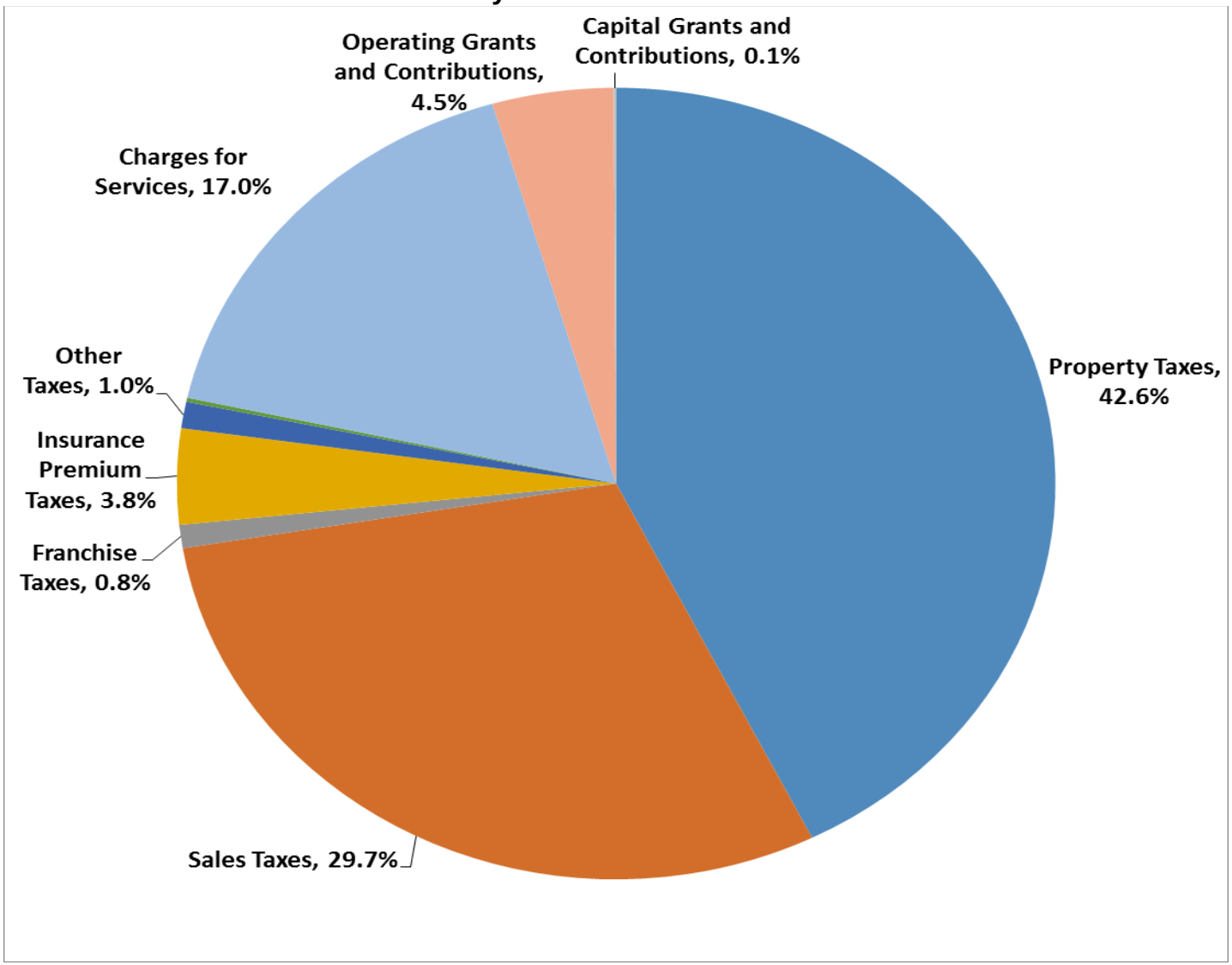
Total expenses were $6,869,140 (or 4.1%) higher than the prior fiscal year. The biggest areas of change were in the functional areas of:

- Public Safety increased by $6,413,127 (or 9.1%). This is mainly due to increased personnel and capital outlay.
- Public works decreased by $4,293,071 (or 23.8%) due to deferring road resurfacing.
- Culture and recreation increased by $5,370,914 (or 76.9%).

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. Henry County started an enterprise fund, the Stormwater Utility Fund, during fiscal year 2007 for the purpose of fairly allocating the costs of Stormwater Management to all properties. Specifically, the fund allows for the conservation, management, protection, control, use, and enhancement of stormwater within the County's corporate jurisdiction, and for the planning, acquisition, construction, installation, management, operation, maintenance, regulation, extension, and improvement of the stormwater control systems. In fiscal year 2016, the Stormwater Fund realized operating revenues of $3,319,354 and incurred expenses of $2,636,702 thus creating an operating income of $682,652. Operating revenues increased by $86,266 due mainly to increased collection of fees over the previous years. Operating expenses increased from the prior year by $90,151 due mainly to the increase in employee salary and benefits.

Henry County's Airport Fund was created in fiscal year 2012, with the acquisition of Tara Field Airport. With the acquisition, Henry County aimed to enhance its economy by "leveling the playing field" with other communities that have already invested in enhanced aviation infrastructure. Within four months of purchase, the BOC requested the airport name be changed to Atlanta South Regional Airport (ASR). While awaiting the FAA approval for this change, the BOC requested the name be changed instead to Henry County Airport. The County is awaiting final approval of that change. Over the next five years, Henry County plans to have completed the improvements first advocated by the FAA in its Environmental Assessment report to Clayton County in 2006. Those recommended enhancements and improvements continue to be funded almost entirely (95%), by the Federal Aviation Administration (FAA) (90%) and GDOT (5%). Some of these improvements call for installing an instrument landing system that will bring the facility up to the safety standards recommended for the size and type of aircrafts that are currently flying into ASR. During fiscal year 2016, Phase II of the airport runway/taxiway extension project began. Phase II is in progress with capital contributions related to the grant funds utilized to enhance and improve the airport amounted to $47,934. In fiscal year 2016, the Airport Fund realized operating revenues of $783,287 and incurred expenses of $776,602, creating operating income of $6,685.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Henry 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 spending at the end of the fiscal year. Henry County Board of Commissioners adopted in May 2015 by resolution a Fund Balance Policy that states a minimum unassigned fund balance in the General Fund will reflect the amount of 25% of the subsequent year's budgeted expenditures and outgoing transfers.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $157,426,862 as compared to the previous fiscal year which amounted to $142,412,739, an increase of $15,014,123 (or 10.5%).

Of the ending governmental fund balances $55,747,821 (or 35.4%) constitutes unassigned fund balance, which is available for spending at the government's discretion. An additional $505,668 is classified as nonspendable for prepaid items and inventories, and another $5,783,748 is assigned. The remaining fund balances totaling $95,389,625 is classified as restricted to indicate that it is not available for new spending because it has already been restricted for: capital projects ($63,371,926), debt service ($2,764,745) and other requirements ($29,252,954).

The General Fund is the chief operating fund of Henry County. At the end of the current fiscal year, net change in fund balance for the General Fund increased by $11,024,435. Unassigned fund balance of the General Fund was $56,244,935, while total fund balance reached $63,145,159. 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 45.2% of total General Fund expenditures, while total fund balance represents 50.8% of that same amount. The General Fund's nonspendable and restricted fund balances are relatively small and represent reserved for public safety, prepaid items, inventories, and capital projects.

The 2008 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2008 one percent Special Purpose Local Option Sales Tax Referendum. These resources must be used for various capital projects and road improvements throughout the County. At the end of the 2016 fiscal year, the 2008 SPLOST Capital Projects Fund had a total fund balance of $16,651,077, a decrease of $3,581,133 from the prior year. The decrease in fund balance is due to large projects continuing to be built each year with no revenues to offset due to the ending of the collection on the one percent Special Purpose Local Option Sales Tax (ended March 31, 2014). As the large projects continue to be built, we will see a decrease in the fund balance.

The 2014 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2014 one percent Special Purpose Local Option Sales Tax. These resources must be used for various capital projects and road improvements throughout the County. At the end of the 2016 fiscal year, the 2014 SPLOST Capital Projects Fund had a total fund balance of $57,864,455, an increase of $3,193,178 from the prior year. The increase in fund balance is due to the collection of SPLOST monies during fiscal year 2016 greater than expenditures during the year.

Proprietary Funds. Henry County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Henry County has only two enterprise funds: the Airport Fund and the Stormwater Fund. At the end of the current fiscal year, the County's proprietary funds reported ending net position of $26,814,969, an increase of $55,035 in the Airport Fund and $470,121 in the Stormwater Fund from fiscal year-end 2016. The Stormwater Fund continues to generate revenues to offset its expenses. Currently the Stormwater Fund has net position of $595,438 that is invested in capital assets and unrestricted of $4,640,628 for a total net position of $5,236,066.

General Fund Budgetary Highlights

Although the final budget was amended upward from the original budget, cost controls in other expenses brought the General Fund actual expenditures $11,113,424 less than the final amended budget. This was due to a combined effort on the part of all of the departments to tightly manage their spending; as summarized below.

- General Government Activities actual spending were $1,193,759 less than the final budget. The most significant savings was in the public buildings function, with a savings of $354,384, followed by tax commissioner of $118,097, and tax assessor of $116,291.
- Judicial services actual spending was $639,301 less than the final budget.
- Public Safety functions actual expenditures was less than final budget by $4,047,967. Most of the savings were in the fire of $1,155,066, followed by the uniform patrol division of $1,063,850, and then followed by the jail of $639,455.
- Public Works services had actual spending of $2,992,489 less than the final budget. The most significant savings of $2,865,361 was from construction and roads.
- Health and Welfare actual expenditures were less than the final budget by $1,070,958. Most of the savings were in the transit system of $923,111 and $147,495 from the senior services.
- Culture and Recreation actual expenditures were $793,346 less than the final budget.
- Housing and Development had actual expenditures less than the final budget by $375,604. Most of the savings were in the planning and zoning function of $230,218 and by $139,449 in the building department.

Capital Asset and Debt Administration

Capital assets. Henry County's governmental activities investment in capital assets as of June 30, 2016, amounts to $623,301,346 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Henry County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ 94,679,927	$ 92,785,390	$ 17,826,536	$ 17,826,536	$ 112,506,463	$ 110,611,926
Construction in progress	34,119,032	22,389,613	135,485	89,532	34,254,517	22,479,145
Buildings and improvements	127,672,077	131,237,331	-	-	127,672,077	131,237,331
Machinery and equipment	14,376,620	12,808,223	617,605	672,423	14,994,225	13,480,646
Infrastructure	352,453,690	364,098,793	3,048,167	3,127,513	355,501,857	367,226,306
Total	$ 623,301,346	$ 623,319,350	$ 21,627,793	$ 21,716,004	$ 644,929,139	$ 645,035,354

Governmental activities depreciable capital assets decreased by $18,004. Transfers from construction in progress to depreciable capital assets accounted for an increase of $4,877,799. Depreciation expense of governmental capital assets amounted to $23,484,090.

Major projects consisted of the following:

- Acquisition of land for right of ways
- Acquisition of land for parks
- Upgrading of various County fleets
- Addition of completed roads
- Improvements to County parks
- Equipment for parks
- Equipment for public safety and public works
- Computer servers and equipment
- Improvements to County Buildings

Most completed projects are SPLOST III road projects. SPLOST IV, which was in its first full year in fiscal year 2015, has many projects that began construction that will be completed in the coming fiscal years.

Business-type activities capital assets decreased by $88,211 offset by depreciation expense of $210,030. The largest element of the capital asset additions was the infrastructure enhancements and improvements at the airport.

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

Long-term debt. At the end of the current fiscal year, Henry County had total bonded debt outstanding of $29,096,063, including premiums, and this debt is backed by the full faith and credit of the government.

Henry County's Outstanding Debt
General Obligation Bonds

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Debt	$ 29,096,063	$ 33,118,399	$ -	$ -	$ 29,096,063	$ 33,118,399
Total	$ 29,096,063	$ 33,118,399	$ -	$ -	$ 29,096,063	$ 33,118,399

The General Obligation Sales Tax Bonds, Series 2015, was issued May 2015, after completing the payoff of the Series 2008 bonds for SPLOST III. The proceeds of the Bonds will be used to finance certain capital outlay projects for the County and the Cities of Locust Grove, McDonough and Stockbridge and pay the costs of issuing the Bonds. The Special Purpose Local Option Sales Tax (SPLOST) IV bond is to be paid back during fiscal years 2015, 2016, 2017, 2018, 2019, and 2020. The bonds will be paid off with proceeds from the monthly collection of SPLOST revenue.

During the fiscal year 2016, the Development Authority refunded a revenue bond to lower interest rate; resulting in substantial debt service savings for the county. Interest rate changed from 4.40% to an average variable rate 1.854%. The bonds were originally issued to finance the acquisition of land. This revenue bond will be paid back during fiscal year 2016 thru 2022, versus the prior bond to 2032.

Henry County's enterprise funds which are reported under business-type activities did not incur any debt and did not have debt in prior years.

Henry County maintains an "Aa1" issuer rating from Moody's and an "AA" rating from Standard & Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current limitation for Henry County is $565,445,880 which is significantly in excess of the Henry County's outstanding general obligation debt. Additional information regarding the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Henry County at June 30, 2016, is 5.1%, which is 1% lower than the rate a year ago. After years of being higher than the state in the unemployment rate, this year the County and the State have the same unemployment rate. A very large sector of Henry County's local working population was in retail and logistics.
- In fiscal year 2006, monthly local option sales tax collections increased by 14.00% over 2005. In fiscal year 2007, monthly collections increased by 6.11% over 2006. In fiscal year 2008, monthly collections decreased by 3.29% from 2007. In fiscal year 2009, monthly collections decreased by 15.3% from 2008. In fiscal year 2010, monthly collections increased by 6.52% over 2009. In fiscal year 2011, monthly collections decreased by 1.0% over 2010. In fiscal year 2012, monthly collections increased by 7.4% over 2011. In fiscal year 2013, monthly collections increased by 4.45% over 2012. In fiscal year 2014, monthly collections increased by 4.07% over 2013. In fiscal year 2015, monthly collections increased by 4.59% over fiscal year 2014. Fiscal year 2016 monthly collections over 2015, increased by 3.52%. It is anticipated that fiscal year 2017, will see another increase over 2016, to continue the upward trend in collections.
- The BOC was able to slightly reduce its County's millage rate for 2016, by 1.140 mills. The fiscal year 2017, budget process focused on balancing the budget, without any use of additional property tax collections over the prior year.
- Henry County is designated a Community Development Block Grant (CDBG) Program entitlement urban county by the U.S. Department of Housing and Urban Development. The County is in its first five-year Consolidated Plan. It completed its fourth program year on June 30, 2016. A total of $1,185,154 of Community Development Block Grant (CDBG) funds were expended during fiscal year 2016. Housing improvement expenditures totaled $371,594. These improvements include the rehabilitation activities of 10 owner occupied properties; as well as the public housing modernization activities of 79 McDonough Housing Authority rental units. Funding for 4 Public Facilities and Improvements projects were completed, expending a total of $514,060 was expanded of CDBG funding for Helping in His Name Ministries and the Cities of Hampton and Stockbridge. Six Public Service activities were completed expending $148,000 of CDBG funding. In fiscal year 2016, CDBG funding benefited a total of 57,589 combined persons and households. Housing improvement activities benefited 91 households; Public Facilities and Improvements activities benefited 55,810 persons and Public Services activities benefited 1,688 persons.

- Henry County has administered the Neighborhood Stabilization Program (NSP) since 2009. The County is a recipient of NSP 1 and NSP 3 funds. The County is a recipient of NSP 1 and NSP 3 funds. The County was awarded $9,799,776 in NSP funds directly from the U.S. Department of Housing and Urban Development (HUD) and the Georgia Department of Community Affairs (DCA). The Neighborhood Stabilization Program supports state and local governments in the acquisition, rehabilitation, and disposition of foreclosed, bank owned, vacant and abandoned properties. NSP homes must be sold at or below market appraisal price and below what the County has in the home to Low and Moderate income homebuyers. One objective of the NSP is to make home buying more affordable for income eligible buyers. The other owner occupied homes ultimately stabilizing the housing market. Henry County purchased 335 homes through the NSP from 2009-2014. Thirty-five homes were sold in fiscal year 2016. There are fewer than 10 homes remaining in inventory.
- During 2016, and going forward, Henry County will continue to do its best to secure outside funding sources, such as grants and private participation, to continue to construct roads and capital projects and purchase capital items.

Requests for Information

This financial report is designed to provide a general overview of Henry 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:

Henry County Board of Commissioners
Finance Department
140 Henry Parkway
McDonough, Georgia 30253.

BASIC FINANCIAL STATEMENTS

HENRY COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Library System	Water Authority
ASSETS						
Cash and cash equivalents	$ 128,673,540	$ 4,925,260	$ 133,598,800	$ 1,390,097	$ 1,051,069	$ 2,753,655
Investments	28,181,614	-	28,181,614	-	28,883	-
Receivables, net of allowances for uncollectibles	3,736,899	902,507	4,639,406	-	119,785	8,031,526
Due from other governments	6,366,489	65,841	6,432,330	172,061	-	-
Internal balances	191,589	(191,589)	-	-	-	-
Inventory	2,515,665	32,313	2,547,978	-	-	883,134
Prepaid items	224,939	-	224,939	-	-	-
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	11,785,063
Investments	-	-	-	-	-	91,510,973
Capital assets, non-depreciable	128,798,959	17,962,021	146,760,980	-	-	40,869,872
Capital assets, depreciable (net of accumulated depreciation)	494,502,387	3,665,772	498,168,159	75,785	1,080,931	308,402,187
Total assets	793,192,081	27,362,125	820,554,206	1,637,943	2,280,668	464,236,410
DEFERRED OUTFLOWS OF RESOURCES						
Deferred refunding charges	-	-	-	-	-	5,318,074
Pensions	16,987,351	274,463	17,261,814	241,301	153,453	3,714,644
Total deferred outflows of resources	16,987,351	274,463	17,261,814	241,301	153,453	9,032,718

(Continued)

HENRY COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Library System	Water Authority
LIABILITIES						
Accounts payable	$ 6,428,123	$ 92,658	$ 6,520,781	$ -	$ 77,358	$ 1,460,567
Accrued liabilities	3,283,906	-	3,283,906	-	69,175	5,467,020
Due to other governments	115,908	2,781	118,689	66,638	-	-
Unearned revenue	94,513	-	94,513	-	-	-
Payable from restricted assets:						
Revenue bonds payable	-	-	-	-	-	11,490,000
Accrued interest payable	452,048	-	452,048	-	-	2,848,976
Non-current liabilities:						
Due within one year	15,126,865	-	15,126,865	51,721	59,860	2,672,179
Due in more than one year	49,930,177	-	49,930,177	106,038	-	210,143,822
Net pension liability due in more than one year	44,945,532	726,180	45,671,712	1,616,953	1,412,331	6,287,298
OPEB obligation due in more than one year	6,181,093	-	6,181,093	-	-	7,795,661
Total liabilities	126,558,165	821,619	127,379,784	1,841,350	1,618,724	248,165,523
DEFERRED INFLOWS OF RESOURCES						
Pensions	-	-	-	156,322	167,333	1,169,828
Total deferred inflows of resources	-	-	-	156,322	167,333	1,169,828
NET POSITION						
Net investment in capital assets	582,115,380	21,627,793	603,743,173	75,785	1,080,931	139,110,602
Restricted for:						
Capital projects	49,306,544	-	49,306,544	-	-	-
Housing and development	669,264	-	669,264	-	-	-
Federal and State grants	399,718	-	399,718	-	-	-
Citizens welfare	798,169	-	798,169	-	-	-
Law enforcement purposes	2,621,118	-	2,621,118	-	-	-
Public safety purposes	7,616,295	-	7,616,295	-	-	-
Debt service	4,381,000	-	4,381,000	-	-	86,392,853
Health and welfare	-	-	-	825,471	-	-
Unrestricted	35,713,779	5,187,176	40,900,955	(1,019,684)	(432,867)	(1,569,678)
Total Net Position	$ 683,621,267	$ 26,814,969	$ 710,436,236	$ (118,428)	$ 648,064	$ 223,933,777

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

HENRY COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Health Department	Component Units: Library System	Component Units: Water Authority
Primary government:										
Governmental activities:										
General government	$ 35,372,037	$ 4,686,304	$ 23,861	$ 3,814	$ (30,658,058)	$ -	$ (30,658,058)	$ -	$ -	$ -
Judicial	16,222,745	7,594,451	88,434	-	(8,539,860)	-	(8,539,860)	-	-	-
Public safety	76,900,896	10,537,526	1,406,744	19,226	(64,937,400)	-	(64,937,400)	-	-	-
Public works	13,722,655	3,858,557	-	131,027	(9,733,071)	-	(9,733,071)	-	-	-
Health and welfare	6,578,244	330,512	2,109,653	-	(4,138,079)	-	(4,138,079)	-	-	-
Culture and recreation	12,352,146	1,177,810	-	17,053	(11,157,283)	-	(11,157,283)	-	-	-
Housing and development	10,314,651	4,448,031	4,939,600	-	(927,020)	-	(927,020)	-	-	-
Interest on long-term debt	1,380,993	-	-	-	(1,380,993)	-	(1,380,993)	-	-	-
Total governmental activities	172,844,367	32,633,191	8,568,292	171,120	(131,471,764)	-	(131,471,764)	-	-	-
Business-type activities:										
Stormwater	2,636,702	3,319,354	85,000	-	-	767,652	767,652	-	-	-
Airport	776,602	783,287	-	47,934	-	54,619	54,619	-	-	-
Total business-type activities	3,413,304	4,102,641	85,000	47,934	-	822,271	822,271	-	-	-
Total primary government	$ 176,257,671	$ 36,735,832	$ 8,653,292	$ 219,054	(131,471,764)	$ 822,271	$ (130,649,493)	-	-	-
Component units:										
Health Department	$ 1,764,383	$ 830,506	$ 1,193,947	$ -	-	-	-	260,070	-	-
Library System	2,329,394	-	2,957,784	-	-	-	-	-	628,390	-
Water Authority	70,087,316	54,578,649	-	5,676,688	-	-	-	-	-	(9,831,979)
Total component units	$ 74,181,093	$ 55,409,155	$ 4,151,731	$ 5,676,688	-	-	-	260,070	628,390	(9,831,979)
General revenues:										
Property taxes					81,982,432	-	81,982,432	-	-	12,414,376
Sales taxes					57,191,007	-	57,191,007	-	-	-
Franchise taxes					1,824,101	-	1,824,101	-	-	-
Insurance premium taxes					7,515,029	-	7,515,029	-	-	-
Other taxes					2,066,238	-	2,066,238	-	-	-
Unrestricted investment earnings					320,454	4,072	324,526	2,428	1,820	181,278
Gain (loss) on disposal of capital assets					-	-	-	-	-	(168,845)
Transfers					301,187	(301,187)	-	-	-	-
Total general revenues and transfers					151,200,448	(297,115)	150,903,333	2,428	1,820	12,426,809
Change in net position					19,728,684	525,156	20,253,840	262,498	630,210	2,594,830
Net position, beginning of year					663,892,583	26,289,813	690,182,396	(380,926)	17,854	221,338,947
Net position, end of year					$ 683,621,267	$ 26,814,969	$ 710,436,236	$ (118,428)	$ 648,064	$ 223,933,777

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

HENRY COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	General Fund	Neighborhood Stabilization Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 60,095,209	$ 668,228	$ 47,661,993	$ 20,248,110	$ 128,673,540
Investments	81,490	-	10,045,583	18,054,541	28,181,614
Receivables, net of allowances for uncollectibles	2,896,278	-	19,084	821,537	3,736,899
Due from other governments	2,305,668	581,500	2,993,837	485,484	6,366,489
Due from other funds	5,390,228	-	902	8,907	5,400,037
Inventory	280,729	1,634,197	-	600,739	2,515,665
Prepaid items	224,939	-	-	-	224,939
Total assets	$ 71,274,541	$ 2,883,925	$ 60,721,399	$ 40,219,318	$ 175,099,183
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 3,135,013	$ 16,648	$ 2,827,067	$ 449,395	$ 6,428,123
Accrued liabilities	3,283,906	-	-	-	3,283,906
Due to other governments	3,518	-	17	112,373	115,908
Due to other funds	8,966	2,504,965	29,860	2,664,657	5,208,448
Unearned revenue	44,209	-	-	50,304	94,513
Total liabilities	6,475,612	2,521,613	2,856,944	3,276,729	15,130,898
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,075,722	-	-	-	1,075,722
Unavailable revenue - period of availability	578,048	581,500	-	306,153	1,465,701
Total deferred inflows of resources	1,653,770	581,500	-	306,153	2,541,423

(Continued)

HENRY COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Neighborhood Stabilization Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (Continued)					
FUND BALANCES					
Nonspendable:					
Prepaids	$ 224,939	$ -	$ -	$ -	$ 224,939
Inventories	280,729	-	-	-	280,729
Restricted:					
Capital projects	593,000	-	38,684,688	24,827,606	64,105,294
Housing and development	-	-	-	669,264	669,264
Federal and State grants	-	-	-	399,718	399,718
Citizen welfare	-	-	-	798,169	798,169
Law enforcement purposes	-	-	-	2,621,118	2,621,118
Public safety purposes	17,808	-	-	7,598,487	7,616,295
Debt service	-	-	4,381,000	-	4,381,000
Intergovernmental	-	-	14,798,767	-	14,798,767
Assigned:					
Public safety purposes	208,100	-	-	-	208,100
Facility maintenance purposes	136,522	-	-	-	136,522
Operations and maintenance	5,439,126	-	-	-	5,439,126
Unassigned (Deficit):					
General fund	56,244,935	-	-	-	56,244,935
Special revenue funds	-	(219,188)	-	(277,926)	(497,114)
Total fund balances	63,145,159	(219,188)	57,864,455	36,636,436	157,426,862
Total liabilities, deferred inflows of resources and fund balances	$ 71,274,541	$ 2,883,925	$ 60,721,399	$ 40,219,318	
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.					623,301,346
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					2,541,423
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumption changes and contributions.					16,987,351
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(65,509,090)
Other post employment benefit liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(6,181,093)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.					(44,945,532)
Net position of governmental activities					$ 683,621,267

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

HENRY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Neighborhood Stabilization Fund	2014 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 115,781,345	$ -	$ 34,257,434	$ 639,963	$ 150,678,742
Licenses and permits	3,399,932	-	-	1,676,513	5,076,445
Intergovernmental	2,625,094	1,933,267	-	4,171,751	8,730,112
Charges for services	13,821,288	-	1,600	4,218,374	18,041,262
Fines and forfeitures	4,571,569	-	-	1,513,470	6,085,039
Investment income	189,577	-	171,547	70,221	431,345
Contributions	18,727	-	-	500	19,227
Miscellaneous	3,285,617	173,925	60,229	157,342	3,677,113
Total revenues	143,693,149	2,107,192	34,490,810	12,448,134	192,739,285
Expenditures:					
Current:					
General government	17,793,561	57,717	-	20,922	17,872,200
Judicial	14,788,551	-	-	1,079,238	15,867,789
Public safety	66,548,854	-	-	5,004,321	71,553,175
Public works	10,348,783	-	-	-	10,348,783
Health and welfare	5,251,452	-	-	-	5,251,452
Culture and recreation	6,209,987	-	-	34,652	6,244,639
Housing and development	3,291,379	2,370,343	-	4,531,751	10,193,473
Intergovernmental	-	-	7,811,565	456	7,812,021
Capital outlay	-	-	19,706,529	4,115,158	23,821,687
Debt service:				-	
Principal retirement	-	-	3,075,000	4,103,756	7,178,756
Interest and fiscal charges	-	-	1,308,250	683,156	1,991,406
Issuance costs	-	-	-	143,059	143,059
Total expenditures	124,232,567	2,428,060	31,901,344	19,716,469	178,278,440
Excess (deficiency) of revenues over (under) expenditures	19,460,582	(320,868)	2,589,466	(7,268,335)	14,460,845
Other financing sources (uses):					
Issuance of bonds	-	-	-	9,645,000	9,645,000
Premium on the issuance of bonds	-	-	-	707,285	707,285
Payments to escrow agent	-	-	-	(10,203,708)	(10,203,708)
Transfers in	1,178,610	-	603,712	10,750,986	12,533,308
Transfers out	(9,710,412)	-	-	(2,521,709)	(12,232,121)
Proceeds from sale of capital assets	95,655	-	-	7,859	103,514
Total other financing sources (uses)	(8,436,147)	-	603,712	8,385,713	553,278
Net change in fund balances	11,024,435	(320,868)	3,193,178	1,117,378	15,014,123
Fund balances, beginning of year	52,120,724	101,680	54,671,277	35,519,058	142,412,739
Fund balances, end of year	$ 63,145,159	$ (219,188)	$ 57,864,455	$ 36,636,436	$ 157,426,862

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

HENRY 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, 2016

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

Net change in fund balances - total governmental funds	$	15,014,123
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 capital outlay exceeded depreciation in the current period.		786,399
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(804,404)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(467,421)
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.		6,955,733
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.		(1,755,746)
	$	19,728,684

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

HENRY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 72,125,149	$ 80,863,181	$ 82,082,367	$ 1,219,186
Sales tax	31,652,311	34,937,062	22,933,573	(12,003,489)
Other taxes	-	-	10,765,405	10,765,405
Licenses and permits	2,516,542	3,425,523	3,399,932	(25,591)
Intergovernmental	2,327,909	2,075,360	2,625,094	549,734
Charges for services	12,900,344	14,467,868	13,821,288	(646,580)
Fines and forfeitures	4,268,356	4,575,775	4,571,569	(4,206)
Investment income	-	-	189,577	189,577
Contributions	-	-	18,727	18,727
Miscellaneous	3,502,062	3,468,106	3,285,617	(182,489)
Total revenues	129,292,673	143,812,875	143,693,149	(119,726)
Expenditures:				
General government:				
Board of commissioners	463,338	498,706	474,896	23,810
County clerk	167,996	167,996	160,852	7,144
Public relations	352,622	352,622	334,496	18,126
County manager	708,127	708,127	599,256	108,871
County attorney	363,754	363,754	270,092	93,662
Tax commissioner	2,323,686	2,323,686	2,205,589	118,097
Finance	807,503	807,503	763,075	44,428
Information systems	3,001,429	3,520,362	3,423,481	96,881
Human resources	679,326	1,250,637	1,137,489	113,148
Risk management	1,408,780	1,595,250	1,577,706	17,544
Purchasing	369,182	380,429	376,116	4,313
Tax assessor	2,347,934	2,393,923	2,277,632	116,291
Elections	878,093	901,465	824,405	77,060
Public buildings	2,755,505	3,722,860	3,368,476	354,384
Other - unclassified	4,553,687	-	-	-
Total general government	21,180,962	18,987,320	17,793,561	1,193,759

(Continued)

HENRY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Judicial:				
Judge of superior court	$ 444,793	$ 444,793	$ 392,890	$ 51,903
Clerk of superior court	1,871,653	1,890,953	1,866,609	24,344
Court reporter	162,230	162,230	157,151	5,079
Jury/bailiff	220,500	220,500	216,423	4,077
District attorney	1,469,058	1,536,661	1,525,632	11,029
Public defender	1,107,920	1,112,601	1,100,940	11,661
Juvenile court	1,947,605	1,947,605	1,756,118	191,487
State court	2,002,533	2,183,533	2,135,423	48,110
State court solicitor	2,090,991	2,093,886	2,015,948	77,938
Clerk of state court	1,371,639	1,371,639	1,338,513	33,126
DUI court	81,376	81,376	5,600	75,776
Judges	13,633	14,737	11,327	3,410
Magistrate court	980,739	998,847	984,526	14,321
Probate court	1,179,191	1,179,191	1,122,367	56,824
Probate resource court	189,300	189,300	159,084	30,216
Total judicial	15,133,161	15,427,852	14,788,551	639,301
Public safety:				
Police	2,064,217	2,064,217	1,868,790	195,427
Criminal investigation division	2,949,179	2,949,179	2,722,885	226,294
Narcotics	667,008	667,008	555,453	111,555
Support service	1,789,187	1,803,130	1,745,251	57,879
Uniform patrol division	11,469,448	12,521,571	11,457,721	1,063,850
Fire	23,135,998	24,456,576	23,301,510	1,155,066
E911/Emergency management	277,387	277,387	198,926	78,461
Communications	616,754	616,754	480,926	135,828
Sheriff	10,117,053	10,117,053	9,845,001	272,052
Jail	13,158,248	13,246,874	12,607,419	639,455
Early release	283,959	295,270	292,612	2,658
Coroner	224,530	224,530	198,182	26,348
Code enforcement	574,840	574,840	542,991	31,849
Animal control	782,432	782,432	731,187	51,245
Total public safety	68,110,240	70,596,821	66,548,854	4,047,967

(Continued)

HENRY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Public works:				
DOT	$ 3,637,999	$ 3,625,003	$ 3,541,716	$ 83,287
Construction and roads	5,669,173	8,163,216	5,299,482	2,863,734
Waste management	182,454	263,083	235,732	27,351
Maintenance shop	1,183,622	1,289,970	1,271,853	18,117
Total public works	10,673,248	13,341,272	10,348,783	2,992,489
Health and welfare:				
General health	500,566	504,579	504,578	1
Department of family and children services	101,177	102,060	102,059	1
Family connection	73,072	84,881	84,531	350
Transit system	2,565,969	2,678,976	1,755,865	923,111
Senior services	2,951,914	2,951,914	2,804,419	147,495
Total health and welfare	6,192,698	6,322,410	5,251,452	1,070,958
Culture and recreation:				
Recreation	3,817,394	5,189,991	4,396,645	793,346
Libraries	1,813,342	1,813,342	1,813,342	-
Total culture and recreation	5,630,736	7,003,333	6,209,987	793,346
Housing and development:				
Conservation	272,018	272,018	270,637	1,381
Conservation - NRCS	53,692	62,265	61,917	348
Building department	1,491,830	1,657,028	1,517,579	139,449
Planning and zoning	1,318,440	1,318,440	1,088,222	230,218
GIS mapping	343,793	357,232	353,024	4,208
Total housing and development	3,479,773	3,666,983	3,291,379	375,604
Total expenditures	130,400,818	135,345,991	124,232,567	11,113,424
Excess (deficiency) of revenues over (under) expenditures	(1,108,145)	8,466,884	19,460,582	10,993,698
Other financing sources (uses):				
Transfers in	5,379,884	1,275,194	1,178,610	(96,584)
Transfers out	(4,271,739)	(9,742,078)	(9,710,412)	31,666
Proceeds from sale of capital assets	-	-	95,655	95,655
Total other financing sources (uses)	1,108,145	(8,466,884)	(8,436,147)	30,737
Net change in fund balances	-	-	11,024,435	11,024,435
Fund balances, beginning of year	52,120,724	52,120,724	52,120,724	-
Fund balances, end of year	$ 52,120,724	$ 52,120,724	$ 63,145,159	$ 11,024,435

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

HENRY COUNTY, GEORGIA

NEIGHBORHOOD STABILIZATION FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 3,906,413	$ 1,933,268	$ 1,933,267	$ (1)
Miscellaneous	-	173,926	173,925	(1)
Total revenues	3,906,413	2,107,194	2,107,192	(2)
Expenditures:				
General government	53,613	67,464	57,717	9,747
Housing and development	3,852,800	2,653,985	2,370,343	283,642
Total expenditures	3,906,413	2,721,449	2,428,060	293,389
Net change in fund balances	-	(614,255)	(320,868)	293,387
Fund balances, beginning of year	101,680	101,680	101,680	-
Fund balances, end of year	$ 101,680	$ (512,575)	$ (219,188)	$ 293,387

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

HENRY COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Major Enterprise Fund Airport Fund	Non-Major Enterprise Fund Stormwater Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash	$ 605,682	$ 4,319,578	$ 4,925,260
Accounts receivable, net of allowances	5,998	896,509	902,507
Inventory	32,313	-	32,313
Due from other governments	65,841	-	65,841
Total current assets	709,834	5,216,087	5,925,921
NONCURRENT ASSETS			
Capital assets, nondepreciable	17,957,021	5,000	17,962,021
Capital assets, depreciable, net of accumulated depreciation	3,075,334	590,438	3,665,772
Total noncurrent assets	21,032,355	595,438	21,627,793
Total assets	21,742,189	5,811,525	27,553,714
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	274,463	274,463
Total deferred outflows of resources	-	274,463	274,463
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	40,072	52,586	92,658
Due to other funds	120,433	71,156	191,589
Due to other governments	2,781	-	2,781
Total current liabilities	163,286	123,742	287,028
NONCURRENT LIABILITIES			
Net pension liabilities	-	726,180	726,180
Total noncurrent liabilities	-	726,180	726,180
Total liabilities	163,286	849,922	1,013,208
NET POSITION			
Invested in capital assets	21,032,355	595,438	21,627,793
Unrestricted	546,548	4,640,628	5,187,176
Total net position	$ 21,578,903	$ 5,236,066	$ 26,814,969

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

HENRY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Enterprise Fund Airport Fund	Non-Major Enterprise Fund Stormwater Fund	Totals
Operating revenues:			
Charges for services:			
Airport fees	$ 769,683	$ -	$ 769,683
Stormwater fees	-	3,319,354	3,319,354
Miscellaneous revenue	13,604	-	13,604
Total operating revenues	783,287	3,319,354	4,102,641
Operating expenses:			
Salaries and benefits	198,359	1,715,916	1,914,275
Purchased/contracted services	71,658	304,756	376,414
Supplies and materials	421,699	490,886	912,585
Depreciation	84,886	125,144	210,030
Total operating expenses	776,602	2,636,702	3,413,304
Operating income	6,685	682,652	689,337
Nonoperating revenues:			
Investment income	416	3,656	4,072
Total nonoperating revenues	416	3,656	4,072
Income before capital contributions and transfers	7,101	686,308	693,409
Capital contributions	47,934	85,000	132,934
Transfers out	-	(301,187)	(301,187)
Change in net position	55,035	470,121	525,156
Net position, beginning of year	21,523,868	4,765,945	26,289,813
Net position, end of year	$ 21,578,903	$ 5,236,066	$ 26,814,969

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

HENRY COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Enterprise Airport Fund	Non-Major Enterprise Fund Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 785,041	$ 3,195,682	$ 3,980,723
Payments to suppliers and service providers	(378,968)	(798,869)	(1,177,837)
Receipts from others	114,262	-	114,262
Payments to employees	(198,359)	(1,690,958)	(1,889,317)
Net cash provided by operating activities	321,976	705,855	1,027,831
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	-	(301,187)	(301,187)
Net cash used in noncapital financing activities	-	(301,187)	(301,187)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(45,952)	(75,865)	(121,817)
Payments on amounts due to other governments for original purchase of airport	(10,109)	-	(10,109)
Proceeds from capital grants	-	85,000	85,000
Net cash provided by (used in) capital and related financing activities	(56,061)	9,135	(46,926)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	416	3,656	4,072
Net cash provided by investing activities	416	3,656	4,072
Net increase in cash and cash equivalents	266,331	417,459	683,790
Cash and cash equivalents:			
Beginning of year	339,351	3,902,119	4,241,470
End of year	$ 605,682	$ 4,319,578	$ 4,925,260

(Continued)

HENRY COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Enterprise Airport Fund	Non-Major Enterprise Fund Stormwater Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 6,685	$ 682,652	$ 689,337
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	84,886	125,144	210,030
(Increase) / decrease in:			
Accounts receivable	1,754	(123,672)	(121,918)
Inventory	11,092	-	11,092
Prepaids	-	-	-
Deferred outflows of resources	-	(222,405)	(222,405)
Due from other funds	114,262	-	114,262
Increase / (decrease) in:			
Accounts payable	6,356	(15,535)	(9,179)
Net pension liabilities	-	247,363	247,363
Due to other funds	96,941	12,308	109,249
Net cash provided by operating activities	$ 321,976	$ 705,855	$ 1,027,831

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

HENRY COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 7,875,014
Taxes receivable	3,397,821
Total assets	$ 11,272,835
LIABILITIES	
Due to component unit	$ 40,647
Due to others	11,232,188
Total liabilities	$ 11,272,835

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

NOTES TO FINANCIAL STATEMENTS

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Henry County, Georgia (the "County") was created by legislative act in 1821 and operates under a Board of Commissioners/County Manager form of government, providing the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the County and its discretely presented component units, the Henry County Department of Public Health, the Henry County Library System, and the Henry County Water Authority, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

A. Reporting Entity

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 Government Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus (An Amendment to GASB No.'s 14 and 34)*, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

Henry County Department of Public Health

The Henry County Department of Public Health is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Henry County Department of Public Health is presented as a governmental fund type component unit. The Henry County Department of Public Health's financial statements have been presented separately and can be obtained by writing to the Henry County Department of Public Health, 135 Henry Parkway, McDonough, Georgia 30253.

Henry County Library System

The Henry County Library System is governed by a seven-member board, of which six members are appointed by the governing authority of the County. The County approves the annual funding portion of the budget requested by the Library System which is administered by the appointed Library Board. In addition, the County provides a substantial majority of funding for the operations of the Library System, therefore, the Library is considered to be fiscally dependent on the County. The Henry County Library System is presented as a governmental fund type component unit. Separate financial statements are not prepared for the Henry County Library System. Therefore, fund financial statements have been included in the Combining and Individual Fund Statements and Schedules.

Henry County Water Authority

The Henry County Water Authority (the "Water Authority") was created under the Acts of the General Assembly of the State of Georgia on March 28, 1961, to provide water and related services throughout Henry County, Georgia. The Authority is governed by a Board of Commissioners which is appointed by Henry County. The County is obligated for the debt of the Authority, and therefore, a financial burden exists. The Henry County Water Authority is presented as a proprietary fund type component unit. Separate financial statements for the Henry County Water Authority may be obtained by writing to the Henry County Water Authority, 1695 Highway 20 West, McDonough, Georgia 30253.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units

Henry County Development Authority

The Henry County Development Authority is governed by a five-member board with all members appointed by the governing authority of the County. The County approves the annual operating budget for the Henry County Development Authority. Although it is legally separate from the County, the Henry County Development Authority is reported as if it were part of the primary government because of the intergovernmental agreement between the County and the Henry County Development Authority through capital lease arrangements relative to the Henry County Development Authority's currently outstanding long-term debts. Because capital lease arrangements between a primary government and its blended component unit are not to be reported as capital leases in the financial reporting entity's financial statements, the debt and assets of the Henry County Development Authority are reported as a form of the County's debt and assets. All debt service activity of the Henry County Development Authority will be reported as debt service activity of the County. Separate financial statements are not prepared for the Henry County Development Authority.

Henry County Governmental Finance Corporation

The Henry County Governmental Finance Corporation ("the Finance Corporation") is governed by the members of the County's Board of Commissioners. Although it is legally separate from the County, the Finance Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's public buildings through capital lease arrangements. Because capital lease arrangements between a primary government and its blended component unit are not to be reported as capital leases in the financial reporting entity's financial statements, the debt and assets of the Finance Corporation are reported as a form of the County's debt and assets. All debt service activity of the Finance Corporation will be reported as debt service activity of the County. Separate financial statements are not prepared for the Henry County Governmental Finance Corporation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Henry County Office/Industrial Park Corporation

The Henry County Office/Industrial Park Corporation ("the Office/Industrial Park Corporation") is governed by the members of the County's Board of Commissioners. Although it is legally separate from the County, the Office/Industrial Park Corporation is reported as if it were part of the primary government because its sole purpose is to finance and purchase the County's land and public buildings through capital lease arrangements. Because capital lease arrangements between a primary government and its blended component unit are not to be reported as capital leases in the financial reporting entity's financial statements, the debt and assets of the Office/Industrial Park Corporation are reported as a form of the County's debt and assets. All debt service activity of the Office/Industrial Park Corporation will be reported as debt service activity of the County. Separate financial statements are not prepared for the Henry County Office/Industrial Park Corporation.

Henry County Governmental Services Authority

The Henry County Governmental Services Authority is governed by the members of the County's Board of Commissioners. Although it is legally separate from the County, the Governmental Services Authority is reported as if it were part of the primary government because its sole purpose is to purchase, rehabilitate, and resell foreclosed properties to qualified citizens of Henry County. The Authority provides services entirely for the benefit of the County. This is done through the Neighborhood Stabilization Program which is identified in separate special revenue funds, the Neighborhood Stabilization Fund and Neighborhood Stabilization 3 Fund. Separate financial statements are not prepared for the Henry County Governmental Services Authority.

Henry First

Henry First is a 501(c)(3) that is governed by the members of the County's Board of Commissioner. Although it is legally separate from the County, Henry First is reported as if it were part of the primary government because its sole purpose is to search and receive grants and donations from other entities and/or individuals who can only donate to non-profit organizations. Collections are received by Henry First; however, the funds are spent for the benefit of Henry County. Separate financial statements are not prepared for Henry First.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service 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.

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 ***Neighborhood Stabilization Fund*** is used to account for grant funds received relative to amounts received and expended for the Neighborhood Stabilization Program.

The ***2014 SPLOST Fund*** is used to account for the revenues and expenditures relating to the 2014 one-percent Special Purpose Local Option Sales Tax.

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 proprietary fund:

The ***Airport Fund*** is used to account for the revenues and expenses relating to the operation of the airport.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Capital Projects Funds*** are used to account for specific revenues that are legally restricted to capital expenditures for particular purposes.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Agency funds account for the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Sheriff, State Court, Juvenile Court, and Flint Drug Task Force.

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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise 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 nonoperating 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. The investment in Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. Treasury Obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value.

The County's investments and the investments of its component units are stated at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which is fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed rather than when purchased.

G. Restricted Assets

Certain proceeds of the primary government’s general obligation bonds and capital leases, as well as certain resources set aside for their repayment, and certain proceeds of the Water Authority (component unit) revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is restricted by applicable bond covenants.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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 estimated fair market 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 the Water Authority 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:

Asset Category	Years
Buildings and improvements	5-40
Machinery and equipment	3-10
Infrastructure	40-50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources and Net Position

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) until then. The County did not have any items that qualified for reporting in this category other than the items related to the changes in the net pension liability which are discussed below.

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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. These items arise only under modified accrual basis of accounting. Accordingly, these items, unavailable revenue from property taxes and unavailable revenue due to the period of availability, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The County also has deferred outflows and deferred inflows relating to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of being recognized in the year of occurrence. Experience gains or losses 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, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of 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. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Henry County, Georgia Retirement 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.

K. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. The County no longer pays out sick leave to retirees. The accumulated sick leave is added to the employee's years of service when determining his or her retirement payout.

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- **Nonspendable** - Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash); or (b) legally or contractually required to be maintained intact.

- **Restricted** - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- **Committed** - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **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 Board of Commissioners has authorized the County's Finance Director to assign fund balances.

- **Unassigned** - Fund balances are reported as unassigned 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. The County reported negative unassigned fund balance of $413 in the CDBG Fund, $213,928 in the Grant Fund, $63,904 in the Court Fund and $219,188 in the Neighborhood Stabilization Fund for the year ended June 30, 2016, due to the timing of grant reimbursements.

Fund Balance 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:

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Net Position

As noted previously, equity for government-wide and proprietary fund financial statements is classified as net position and displayed in three components:

- **Net investment in capital assets** - Consists of capital assets included restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- **Restricted net position** - Consists of net position with constraints placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above.

- **Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

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

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 a 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 $65,509,090 difference are as follows:

Capital leases payable	$	(14,537,452)
General obligation bonds payable		(26,555,000)
Plus: Issuance premium (to be amortized against interest expense)		(2,541,063)
Development Authority revenue bonds		(11,750,088)
Plus: Issuance premium (to be amortized against interest expense)		(601,113)
Compensated absences		(5,168,743)
Claims and judgments		(3,520,000)
Landfill postclosure costs		(383,583)
Accrued interest		(452,048)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(65,509,090)

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 a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $786,399 difference are as follows:

Capital outlay	$	24,270,489
Depreciation expense		(23,484,090)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	786,399

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 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 $6,955,733 difference are as follows:

Debt incurred:		
Issuance of bonds	$	(9,645,000)
Premium on issuance of bonds		(707,285)
Principal repayments:		
Capital leases		4,022,844
Bonds payable		13,262,084
Landfill postclosure costs		23,090
Net adjustment to increase net change in *fund balances - total governmental funds* to arrive at change in *net position - governmental activities*	$	6,955,733

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 "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." The details of this $1,755,746 difference are as follows:

Compensated absences	$	(266,686)
Claims payable		(1,050,000)
Amortization of premium on general obligation bonds		947,336
Accrued interest		(96,328)
Net pension liability		(308,730)
Net post-employment benefit obligation		(981,338)
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(1,755,746)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

1. Prior to May 1, the County Manager collaborates with the Chairman of the Board of Commissioners to prepare the budget. The Chairman then submits, to the entire Board of Commissioners, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the County Administration Building to obtain taxpayer comments.

3. Prior to July 1, the budget is legally enacted through passage of an ordinance.

4. Any transfers of budgeted amounts and any revisions that alter the total expenditures of any department or fund must be approved by the Commissioners. The legal level of budgetary control is the department level.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets were legally adopted for the General Fund, Special Revenue Funds, and Debt Service Fund. Project length budgets were adopted for all Capital Projects Funds. The supplementary budgetary appropriations made were not material.

6. All annual appropriations lapse at the end of each year.

B. Fund Deficits

The County reported deficit fund balances in the Neighborhood Stabilization Fund, CDBG Fund and the Grant Fund in the respective amounts of $219,188, $413, and $213,928. The deficits are intended to be eliminated through future revenues.

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2016, expenditures exceeded the budget for the Debt Service Fund in the amount of $2,129,730 relative to principal, interest and bond issuance cost expenditures. Excess expenditures were funded by bond proceeds.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2016, are summarized as follows:

Balances per statement of net position:		
Cash - Primary government	$	133,598,800
Cash - Health Department		1,390,097
Cash - Library System		1,051,069
Cash - Water Authority		2,753,655
Investments - Primary government		28,181,614
Investments - Library System		28,883
Restricted assets:		
Cash - Water Authority		11,785,063
Investments - Water Authority		91,510,973
Balances per statement of fiduciary net position:		
Cash - Agency funds		7,875,014
	$	278,175,168

Cash deposited with financial institutions	$	158,453,698
Certificates of deposit		22,093,179
Cash deposited with Georgia Fund 1		97,628,291
	$	278,175,168

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County's policy is to invest only in the following: U.S. government and agency debt obligations; U.S. government instrumentality debt obligations; high grade corporate debt with ratings at or above A3 by Moody's or A- by Standard & Poor's; mortgage-backed securities with ratings at or above AA3 by Moody's or AA by Standard & Poor's; and bank certificates of deposit. The local government investment pool, Georgia Fund 1, is operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. As of June 30, 2016, the investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

At June 30, 2016, the County had the following investments:

Investment	Maturities	Fair Value
Primary government:		
Georgia Fund 1	42 day weighted average	$ 6,088,435
Certificates of Deposit	6 month weighted average	22,093,179
		$ 28,181,614
Component units:		
Georgia Fund 1	42 day weighted average	$ 91,539,856

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the duration of any investment to a maximum of five years.

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 Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. Additionally, certificates of deposit are not subject to the fair value level disclosures. As a result, the County does not disclose its investment in the Georgia Fund 1 or certificates of deposit within the fair value hierarchy.

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, 2016, all of the deposits of the County, Health Department, Library System, and Water Authority were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

Custodial credit risk – investments. For an investment, this 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. The County has no specific investment policy in regards to custodial credit risk for investments.

NOTE 5. RECEIVABLES

Receivables at June 30, 2016, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Neighborhood Stablization Fund	2014 SPLOST Fund	Airport Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Total
Receivables:							
Taxes	$ 1,477,614	$ -	$ 2,993,837	$ -	$ 148,164	$ -	$ 4,619,615
Accounts	22,963,826	-	19,084	58,859	776,635	1,120,636	24,939,040
Other	2,305,668	581,500	-	65,841	485,483	-	3,438,492
Gross receivables	26,747,108	581,500	3,012,921	124,700	1,410,282	1,120,636	32,997,147
Less allowance for uncollectibles	(21,545,162)	-	-	(52,861)	(103,261)	(224,127)	(21,925,411)
Net total receivables	$ 5,201,946	$ 581,500	$ 3,012,921	$ 71,839	$ 1,307,021	$ 896,509	$ 11,071,736

The Henry County Water Authority had accounts receivable at June 30, 2016, of $8,031,526, which is net of an allowance for uncollectibles of $164,305.

Property taxes attached as an enforceable lien on property as of January 1, 2016. Property taxes were levied on July 29, 2015, billed on August 6, 2015, and payable on or before November 16, 2015. The County bills and collects its own property taxes. Property taxes levied for 2015, are recorded as receivables, net of estimated uncollectibles.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the primary government for the year ended June 30, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 92,785,390	$ 21,278	$ -	$ 1,873,259	$ 94,679,927
Construction in progress	22,389,613	17,355,908	(748,690)	(4,877,799)	34,119,032
Total	115,175,003	17,377,186	(748,690)	(3,004,540)	128,798,959
Capital assets, being depreciated:					
Buildings and improvements	177,104,653	954,786	(236,657)	271,960	178,094,742
Machinery and equipment	72,548,889	4,525,275	(1,517,148)	303,488	75,860,504
Infrastructure	604,830,027	1,413,243	-	2,429,092	608,672,362
Total	854,483,569	6,893,304	(1,753,805)	3,004,540	862,627,608
Less accumulated depreciation for:					
Buildings and improvements	(45,867,322)	(4,736,287)	180,944	-	(50,422,665)
Machinery and equipment	(59,740,666)	(3,260,365)	1,517,147	-	(61,483,884)
Infrastructure	(240,731,234)	(15,487,438)	-	-	(256,218,672)
Total	(346,339,222)	(23,484,090)	1,698,091	-	(368,125,221)
Total capital assets, being depreciated, net	508,144,347	(16,590,786)	(55,714)	3,004,540	494,502,387
Governmental activities capital assets, net	$ 623,319,350	$ 786,400	$ (804,404)	$ -	$ 623,301,346

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Capital asset activity for the primary government for the year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated					
Land	$ 17,826,536	$ -	$ -	$ -	$ 17,826,536
Construction in Progress	89,532	135,485	(89,532)	-	135,485
Total	17,916,068	135,485	(89,532)	-	17,962,021
Capital assets, being depreciated:					
Machinery and equipment	1,513,295	75,866	-	-	1,589,161
Infrastructure	3,136,787	-	-	-	3,136,787
Total	4,650,082	75,866	-	-	4,725,948
Less accumulated depreciation for:					
Machinery and equipment	(840,872)	(130,684)	-	-	(971,556)
Infrastructure	(9,274)	(79,346)	-	-	(88,620)
Total	(850,146)	(210,030)	-	-	(1,060,176)
Capital assets being depreciated, net	3,799,936	(134,164)	-	-	3,665,772
Business-type activities capital assets, net	$ 21,716,004	$ 1,321	$ (89,532)	$ -	$ 21,627,793

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:		
General government	$	10,682,465
Judicial		208,965
Public safety		2,561,000
Public works		8,412,458
Health and welfare		304,148
Culture and recreation		1,311,931
Housing and development		3,123
Total depreciation expense - governmental activities	$	23,484,090
Business-type activities:		
Airport	$	84,886
Stormwater		125,144
Total depreciation expense - business-type activities	$	210,030

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Health Department

Capital asset activity for the Health Department for the year ended June 30, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 153,296	$ 72,641	$ -	$ 225,937
Less accumulated depreciation for:				
Machinery and equipment	(134,658)	(15,494)	-	(150,152)
Total capital assets, net	$ 18,638	$ 57,147	$ -	$ 75,785

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

Capital asset activity for the Library System for the year ended June 30, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 10,251	$ -	$ (10,251)	$ -
Total	10,251	-	(10,251)	-
Capital assets, being depreciated:				
Buildings and improvements	85,395	19,813	(71,795)	33,413
Equipment	520,322	31,772	-	552,094
Books and materials	3,969,828	328,907	(96,856)	4,201,879
Total	4,575,545	380,492	(168,651)	4,787,386
Less accumulated depreciation for:				
Buildings and improvements	(85,395)	(1,321)	71,795	(14,921)
Equipment	(339,886)	(36,297)	-	(376,183)
Books and materials	(3,220,655)	(191,552)	96,856	(3,315,351)
Total	(3,645,936)	(229,170)	168,651	(3,706,455)
Total capital assets being depreciated, net	929,609	151,322	-	1,080,931
Total capital assets, net	$ 939,860	$ 151,322	$ (10,251)	$ 1,080,931

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Discretely Presented Component Unit – Water Authority

Capital asset activity for the Water Authority for the year ended June 30, 2016, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 34,968,336	$ -	$ -	$ -	$ 34,968,336
Construction in progress	1,321,797	6,772,281	-	(2,192,542)	5,901,536
Total	36,290,133	6,772,281	-	(2,192,542)	40,869,872
Capital assets, being depreciated:					
Buildings	16,401,528	36,931	-	-	16,438,459
Improvements other than buildings	635,532,749	1,722,438	(234,664)	2,192,542	639,213,065
Machinery and equipment	17,197,526	783,979	(565,061)	-	17,416,444
Vehicles	4,155,347	388,195	(181,658)	-	4,361,884
Total	673,287,150	2,931,543	(981,383)	2,192,542	677,429,852
Less accumulated depreciation for:					
Buildings	(7,202,804)	(754,468)	-	-	(7,957,272)
Improvements other than buildings	(315,044,182)	(27,094,099)	-	-	(342,138,281)
Machinery and equipment	(12,975,135)	(2,810,623)	562,421	-	(15,223,337)
Vehicles	(3,694,356)	(211,524)	197,105	-	(3,708,775)
Total	(338,916,477)	(30,870,714)	759,526	-	(369,027,665)
Total capital assets, being depreciated, net	334,370,673	(27,939,171)	(221,857)	2,192,542	308,402,187
Total capital assets, net	$ 370,660,806	$ (21,166,890)	$ (221,857)	$ -	$ 349,272,059

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES

Revenue Bonds:

The Water Authority (component unit) issues bonds where the Authority pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2016, are as follows:

Purpose	Interest Rate	Due Date	Amount
Water and Sewerage Authority	3.75%-6.15%	2020	$ 11,785,000
Water and Sewerage Authority	4.90%-6.00%	2020	4,430,000
Water and Sewerage Authority	3.00%-5.25%	2030	44,920,000
Water and Sewerage Authority	5.00%	2026	29,785,000
Water and Sewerage Authority	2.00%-5.00%	2030	17,680,000
Water and Sewerage Authority	1.5%-4.00%	2018	5,240,000
Water and Sewerage Authority	2.16%	2028	55,400,000
			169,240,000
	Plus unamortized premiums		6,515,563
	Less unamortized discounts		(23,433)
			$ 175,732,130

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Revenue Bonds: (Continued)

The Water Authority's revenue bond debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2017	$ 11,490,000	6,837,543	$ 18,327,543
2018	11,790,000	6,484,758	18,274,758
2019	12,340,000	6,061,245	18,401,245
2020	12,565,000	5,578,210	18,143,210
2021	12,695,000	5,076,270	17,771,270
2022-2026	60,215,000	18,640,500	78,855,500
2027-2030	48,145,000	5,623,955	53,768,955
Total	$ 169,240,000	$ 54,302,481	$ 223,542,481

The Development Authority's revenue bonds outstanding, excluding the bond premium of $601,113, as of June 30, 2016, are as follows:

Purpose	Interest Rate	Due Date	Amount
Purchase of Land	4.40%	2033	$ 9,645,000
Purchase of Land	Variable	2033	2,105,088
			$ 11,750,088

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Revenue Bonds: (Continued)

The Development Authority issued $10,000,000 fixed-rate revenue bonds and $2,186,000 in variable-rate revenue bonds during 2008. In July 2015, the County issued $9,645,000 fixed-rate revenue bonds to provide funds to finance, in whole, the 2008 issued fixed-rate revenue bonds. The estimated annual requirements to amortize the bonds payable as of June 30, 2016, are as follows:

Fiscal year ending June 30,	Principal	Interest
2017	$ 1,697,064	$ 352,289
2018	1,701,197	295,080
2019	1,704,976	229,799
2020	1,715,029	156,320
2021	1,719,745	90,740
2022-2026	2,237,210	95,963
2027-2030	781,237	33,274
2032-2033	193,630	1,249
	$ 11,750,088	$ 1,254,714

The County is absolutely and unconditionally obligated, under the terms of an intergovernmental contract relating to the Development Authority's revenue bonds, to pay debt service on the bonds, including principal and interest. The bonds were issued to finance the acquisition of land.

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

General Obligation Bonds:

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds, excluding the bond premium of $2,541,063, at June 30, 2016, consisted of the following:

Purpose	Interest Rate	Term	Due Date	Amount	Amount
Various contruction projects within the County	3.00%-5.00%	6 years	2020	$ 29,630,000	$ 26,555,000
					$ 26,555,000

The general obligation bond debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest
2017	$ 3,165,000	$ 1,216,000
2018	7,470,000	1,089,400
2019	7,765,000	796,000
2020	8,155,000	407,750
Total	$ 26,555,000	$ 3,509,150

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Other Long-Term Debt:

The Water Authority (component unit) has incurred debt to the Georgia Environmental Facilities Authority for construction of various water and sewer system projects. These notes are as follows at June 30, 2016:

Interest Rate	Term	Due Date	Amount
3.00%	20 years	2030	$ 13,571,182
3.00%	20 years	2030	15,672,358
3.00%	20 years	2032	17,763,562
3.00%	20 years	2032	1,456,721
			$ 48,463,823

The Water Authority's other long-term debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2017	$ 2,672,185	$ 1,413,038	$ 4,085,223
2018	2,752,049	1,333,174	4,085,223
2019	2,835,755	1,249,468	4,085,223
2020	2,920,897	1,164,326	4,085,223
2021	3,011,912	1,073,311	4,085,223
2022-2026	16,484,905	3,941,208	20,426,113
2027-2030	16,788,881	1,306,091	18,094,972
2032-2033	897,239	9,092	906,331
	$ 48,363,823	$ 11,489,708	$ 59,853,531

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases:

The County has entered into lease agreements as lessee for financing the acquisition and construction of various buildings and equipment. The lease agreements qualify as capital leases for accounting purposes and have been recorded at the present values of the future minimum lease payments as of the date of their inception.

The following is an analysis of assets leased under capital leases as of June 30, 2016:

Land	$	30,394,000
Buildings and improvements		7,479,958
Vehicles		5,559,590
Assets leased under capital leases before depreciation		43,433,548
Less accumulated depreciation		(7,737,983)
Net assets leased under capital leases	$	35,695,565

For the year ended June 30, 2016, depreciation expense related to assets leased under capital leases totaled $835,942.

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases: (Continued)

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2016:

2017	$	3,029,506
2018		2,759,727
2019		2,759,727
2020		2,759,727
2021		1,916,693
2022 - 2023		2,434,932
Total minimum lease payments		15,660,312
Less amount representing interest		(1,122,860)
Present value of future minimum lease payments	$	14,537,452

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Changes in Long-Term Liabilities:

The following is a summary of long-term debt activity of the primary government for the year ended June 30, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 29,630,000	$ -	$ 3,075,000	$ 26,555,000	$ 3,165,000
Plus unamortized premium	3,488,399	-	947,336	2,541,063	947,336
General obligation bonds, net	33,118,399	-	4,022,336	29,096,063	4,112,336
Development Authority revenue bonds	12,186,000	10,352,285	10,187,084	12,351,201	1,886,531
Capital lease obligations	18,560,296	-	4,022,844	14,537,452	2,684,458
Landfill postclosure costs	406,673	-	23,090	383,583	27,000
Net pension liability	31,022,276	13,923,256	-	44,945,532	-
Workers compensation	2,470,000	2,961,524	1,911,524	3,520,000	1,410,000
Other post-employment benefits	5,199,755	981,338	-	6,181,093	-
Compensated absences	4,902,057	7,695,237	7,428,551	5,168,743	5,006,540
	$ 107,865,456	$ 35,913,640	$ 27,595,429	$ 116,183,667	$ 15,126,865

For governmental activities, landfill postclosure costs, net pension liability, workers' compensation, other post-employment benefit obligations, and compensated absences are generally liquidated by the General Fund.

NOTE 7. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Changes in Long-Term Liabilities: (Continued)

The following is a summary of long-term debt activity of the Water Authority for the year ended June 30, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Revenue bonds	$ 180,405,000	$ -	$ 11,165,000	$ 169,240,000	$ 11,490,000
Plus unamortized premiums	7,400,530	-	884,967	6,515,563	-
Less unamortized discounts	(34,283)	-	(10,850)	(23,433)	-
Revenue bonds, net	187,771,247	-	12,039,117	175,732,130	11,490,000
Notes payable	50,954,357	-	2,590,534	48,363,823	2,672,179
Net pension liability	4,723,715	1,563,583	-	6,287,298	-
Other post-employment benefits	6,776,010	1,019,651	-	7,795,661	-
Compensated absences	1,119,547	932,597	898,584	1,153,560	943,512
	$ 251,344,876	$ 3,515,831	$ 15,528,235	$ 239,332,472	$ 15,105,691

The non-current liabilities reflected by the Health Department and the Library System represent amounts accrued for compensated absences.

NOTE 8. OPERATING LEASES

The Henry County Library System (component unit) is committed under various leases for rental of photo copiers. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2016, amounted to $18,605.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of June 30, 2016, are as follows:

	Payable Fund						
Receivable Fund	General Fund	Neighborhood Stabilization Fund	2014 SPLOST Fund	Airport Fund	Nonmajor Enterprise Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 2,504,965	$ 29,860	$ 120,433	$ 71,156	$ 2,663,814	$ 5,390,228
2014 SPLOST Fund	902	-	-	-	-	-	902
Nonmajor governmental funds	8,064	-	-	-	-	843	8,907
Total	$ 8,966	$ 2,504,965	$ 29,860	$ 120,433	$ 71,156	$ 2,664,657	$ 5,400,037

These balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers for the year ended June 30, 2016, are as follows:

	Transfers Out			
Transfers In	General Fund	Nonmajor Enterprise Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 301,187	$ 877,423	$ 1,178,610
2014 SPLOST Fund	603,712	-	-	603,712
Nonmajor governmental funds	9,106,700	-	1,644,286	10,750,986
Total	$ 9,710,412	$ 301,187	$ 2,521,709	$ 12,533,308

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.

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Henry County Defined Benefit Plan (the Plan), covering substantially 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 Section 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 Section 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, 2015, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	276
Inactive plan member entitled to but not receiving benefits	354
Active plan members	1,444
	2,074

NOTE 10. DEFINED BENEFIT PENSION PLANS

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, 2016, the active member contribution rate was 8.80% of annual pay, and the County's contribution rate for new employees hired after January 1, 2015, was 7.00% of annual payroll. County contributions to the Plan were $6,509,170 for the year ended June 30, 2016.

Net Pension Liability of the County

The County’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2015, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% to 1.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates for were based on the RP-2000 Mortality Table.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for February 2014.

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government (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 a 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), 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, 2015, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30%	25 - 35%
Large Cap equity	30%	25 - 35%
International equity	15%	10 - 20%
Other equity	20%	2.5 - 10%
Real estate	5%	2.5 - 10%
	100%	

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

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the 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

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government (Continued)

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.

Changes in the Net Pension Liability of the County: The changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	$ 151,123,116	$ 119,622,023	$ 31,501,093
Changes for the year:			
Service cost	5,000,446	-	5,000,446
Interest	11,084,210	-	11,084,210
Differences between expected and actual experience	2,927,252	-	2,927,252
Assumption changes	5,035,153	-	5,035,153
Service buy back	15,219	15,219	-
Contributions - employer	-	6,335,969	(6,335,969)
Contributions - employee	-	4,288,639	(4,288,639)
Net investment income	-	919,240	(919,240)
Benefit payments, including refunds of employee contributions	(6,682,523)	(6,913,483)	230,960
Administrative expenses	-	(246,354)	246,354
Other changes	-	(1,190,092)	1,190,092
Net changes	17,379,757	3,209,138	14,170,619
Balances at June 30, 2016	$ 168,502,873	$ 122,831,161	$ 45,671,712

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government (Continued)

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to 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 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
County's net pension liability	$ 69,625,628	$ 45,671,712	$ 25,813,922

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, 2015, and the current sharing pattern of costs between employer and employee.

NOTE 10. DEFINED BENEFIT PENSION PLANS

Primary Government (Continued)

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

For the year ended June 30, 2016, the County recognized pension expense of $6,796,307. At June 30, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 2,531,677
Changes in assumptions	4,354,727
Net difference between projected and actual earnings on pension plan investments	7,427,984
County contributions subsequent to the measurement date	2,947,426
Total	$ 17,261,814

County contributions subsequent to the measurement date of $2,947,426 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	$ 2,819,466
2018	2,819,466
2019	2,819,466
2020	2,819,466
2021	1,530,125
Thereafter	1,506,399
Total	$ 14,314,388

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit

Plan Description

Henry County Library System employees as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) are provided a pension through the Teachers' Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2015. The library system's contractually required contribution rate for the year ended June 30, 2016, was 13.15% of annual payroll. System contributions to TRS were $128,776 for the year ended June 30, 2016.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit (Continued)

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

At June 30, 2016, the Library System reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015, was determined using standard roll-forward techniques. The System's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2015. At June 30 2015, the System's proportion was 0.009277%, which was an increase (decrease) of 0.0026% from its proportion measured as of June 30, 2014. For the year ended June 30, 2016, the System recognized pension expense of $92,040. At June 30, 2016, the System 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 pension plan investments	$ -	$ 119,132
Differences between expected and actual experience		12,422
Changes in proportion and differences between System contributions and proportionate share of contributions	1,646	35,779
System contributions subsequent to the measurement date	151,807	-
Total	$ 153,453	$ 167,333

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit (Continued)

System contributions subsequent to the measurement date of $151,807 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,		
2017	$	(73,398)
2018		(73,398)
2019		(73,399)
2020		55,253
2021		(745)
Total	$	(165,687)

Actuarial Assumptions

The total pension liability as of June 30, 2015, was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75 – 7.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study adopted by the Board in November 2010.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
	100.00%	

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

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate

The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
System's proportionate share of the net pension liability	$ 2,426,984.04	$ 1,412,331	$ 576,015

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Library System – Component Unit (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

Water Authority – Component Unit

Plan Description

On January 1, 2004, the Authority established a contributory defined benefit pension plan, The Henry County Water & Sewer Retirement Plan (the Plan), covering substantially all of the Authority's employees. The Plan is administered by the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association (GMA). The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. GMA, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the Plan. The Authority has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan. The Georgia Municipal Association (GMA) issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained from Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, Atlanta, Georgia 30303-3606.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

Plan Membership

As of January 1, 2016, pension plan membership consisted of the following:

Inactive plan members of beneficiaries currently receiving benefits	45
Inactive plan member entitled to but not receiving benefits	20
Active plan members	219
	284

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted an actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. Plan participants are required to contribute a percentage of their compensation to the plan. For the year ended June 30, 2016, the active member required contribution rate was 5% and the Authority's contribution rate was 8.62% of annual payroll. Authority contributions to the Plan were $2,866,292 for the year ended June 30, 2016.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

Net Pension Liability

The Authority's net pension liability was measured as of September 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015, with update procedures performed by the actuary to roll forward the total pension liability measured as of September 30, 2015.

The Authority's net pension liability for the year ended June 30, 2016, is as follows:

Total pension liability	$	35,838,837
Plan net position		29,551,539
Net pension liability	$	6,287,298
Plan net position as a percentage of the total pension liability		82.5%

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

The Authority's changes in the net pension liability by source and the derivation of the Authority's pension expense for the fiscal year ended June 30, 2016 are reflected below:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	$ 31,988,766	$ 27,265,051	$ 4,723,715	
Changes for the year:				
Service cost	873,093	-	873,093	$ 873,093
Interest	2,437,024	-	2,437,024	2,437,024
Differences between expected and actual experience	1,626,538	-	1,626,538	-
Assumption changes	-	-	-	224,423
Contributions - employer	-	2,581,723	(2,581,723)	-
Contributions - employee	-	583,536	(583,536)	(583,536)
Net investment income	-	244,742	(244,742)	(2,192,159)
Amortization of investment earnings differences	-	-	-	(160,299)
Benefit payments, including refunds of employee contributions	(1,086,584)	(1,086,584)	-	-
Administrative expenses	-	(36,929)	36,929	36,929
Net changes	3,850,071	2,286,488	1,563,583	$ 635,475
Balances at June 30, 2016	$ 35,838,837	$ 29,551,539	$ 6,287,298	

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

The required schedule of changes in the Authority'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 are increasing or decreasing over time relative to the total pension liability.

Deferred Outflows and Inflows of Resources

The Authority reported deferred outflows and inflows of resources related to pensions from the following sources as of June 30, 2016:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 1,077,035	$ -
Differences between expected and actual experience	1,355,450	186,660
Other changes in assumptions	-	983,168
Employer contributions subsequent to the measurement date	1,282,159	-
Total	$ 3,714,644	$ 1,169,828

Authority contributions subsequent to the measurement date of $1,282,159 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

Year ending June 30,		
2017	$	207,817
2018		207,817
2019		207,817
2020		368,116
2021		271,090
Total	$	1,262,657

Actuarial Assumptions

The following actuarial assumptions apply to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25% – 8.75%, including inflation
Investment rate of return	7.75%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

Cost of living adjustments were assumed to be 1.00%.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real 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 Plan's target asset allocation as of September 30, 2015, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Total	100%	

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

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions and also on considering the Plan's net position as of June 30, 2016, the Plan's net position was projected to be available to make projected future benefit payments of current plan members for all future Plan years. Therefore, the long-term expected rate of return on pension plan investments (7.75%) becomes the discount rate and thus was applied to all projected future benefit payments to determine 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 Authority, calculated using the discount rate of 7.75%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) that the current rate.

The following table represents the sensitivity analysis discussed above as of June 30, 2016:

	1.00% Decrease (6.75%)	Current Discount Rate (7.75%)	1.00% Increase (8.75%)
Authority's net pension liability	$ 10,994,431	$ 6,287,298	$ 2,406,242

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Water Authority – Component Unit (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 June 30, 2016, and the current sharing pattern of costs between employer and employee.

Health Department – Component Unit

Plan Description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982, and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016, was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The Department's contributions to ERS totaled $222,040 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

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

At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015, was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30 2015, the Employer's proportion was 0.039911%, which was a decrease of 0.000955% from its proportion measured as of June 30, 2014.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

For the year ended June 30, 2016, the Agency recognized pension expense of $98,943. At June 30, 2016, the Health Department 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 pension plan investments	$ -	$ 116,666
Differences between expected and actual experience	-	12,919
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,261	26,737
Employer contributions subsequent to the measurement date	222,040	-
Total	$ 241,301	$ 156,322

Agency contributions subsequent to the measurement date of $222,040 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	$ (59,177)
2018	(65,220)
2019	(52,000)
2020	39,336
Total	$ (137,061)

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2015, was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45 – 9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

Asset class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
	100.00%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between 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 periods of projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Department – Component Unit (Continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
System's proportionate share of the net pension liability	$ 2,292,090	$ 1,616,953	$ 1,041,374

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

NOTE 11. DEFERRED COMPENSATION PLAN

The County offers the ACCG 457 Deferred Compensation Program created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time government employees at their option, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," no assets or liabilities of the County's Deferred Compensation Plan are included in the County's financial statements.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS

Primary Government

General

In accordance with GASB 45 requirements, the County is required to attribute the cost of post-retirement health care benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post-retirement health care benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended June 30, 2016. There is no separate, audited GAAP-basis post-employment benefit plan report available for the County's plan.

Plan Description

The County provides post-retirement health care benefits, as per the requirements of a resolution, for certain retirees and their dependents. The Henry County Post-Retirement Medical Plan is administered by the County and is a single-employer, defined benefit plan. The provisions and obligations to contribute are established and may be amended by the Henry County Board of Commissioners. Employees must complete 10 consecutive years of service, and the sum of the total years of service plus retiree’s age must equal 75 or more. The county pays 80% of the premium and the employee must pay the remaining 20%. The County finances the plan on a pay-as-you-go basis. As of June 30, 2016, there were approximately 75 retired employees receiving health care benefits. For the year ended June 30, 2016, the County paid $837,002 for these benefits, which was net of $209,251 of retiree contributions.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Contributions

The County contributed $1,046,253 to the OPEB Health Care Plan in fiscal year 2016. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Board of Commissioners. The Board of Commissioners established and may amend the funding policy for the OPEB Health Care Plan.

Fiscal Year Beginning	Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
7/1/15	$ 2,027,591	$ 1,046,253	$ 52%	$ 6,181,093
7/1/14	1,817,222	861,854	47%	5,199,755
7/1/13	1,578,059	906,886	57%	4,244,387
7/1/12	1,382,971	678,962	49%	3,573,215
7/1/11	1,142,959	520,627	46%	2,869,205
7/1/10	1,060,675	414,974	39%	2,246,873

The County's annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution	$ 1,891,207
Interest on Net OPEB obligation	389,982
Adjustment to Annual Required Contribution	(253,598)
Annual OPEB cost	2,027,591
Contributions made or accrued	(1,046,253)
Increase in Net Obligation	981,338
Net OPEB obligation (BOY)	5,199,755
Net OPEB obligation (EOY)	$ 6,181,093

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

As of the most recent measurement date of July 1, 2015, the funded status of the OPEB Health Care Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
07/01/15	$ -	$ 18,151,811	$ 18,151,811	- %	$ 50,754,295	35.8 %
07/01/14	-	16,532,819	16,532,819	-	48,568,703	34.0
07/01/13	-	13,221,250	13,221,250	-	53,010,490	24.9
07/01/12	-	12,650,960	12,650,960	-	48,242,720	26.2
07/01/11	-	9,200,635	9,200,635	-	53,646,122	17.0
07/01/10	-	8,151,019	8,151,019	-	51,336,002	15.9

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the annual required contributions of the employer are based on the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2015. The assumptions used in the July 1, 2015, actuarial valuation are as follows:

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Primary Government (Continued)

Basis of Valuation	
Valuation Date	July 1, 2015
Measurement Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Assumed Rate of Return on Investments	7.5%
Medical Cost Trend Rate	7% decreasing linearly each year to an ultimate annual increase of 5%
Year of Ultimate Medical Cost Trend Rate	2014
Amortization Method	Level Percent of Pay (Open)
Remaining Amortization Period	30 years

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Water Authority – Component Unit

Plan Description

The Henry County Water Authority Post-retirement Benefit Plan (the "OPEB Plan") is a single-employer defined benefit post-retirement health care plan, or other post-employment benefit (OPEB) plan. The OPEB plan is based upon the policy that is contained in the Henry County Water Authority Employee handbook which outlines the eligibility, cost to participants, and other administrative matters. The policy is maintained at the discretion of the Authority.

General

The following brief description of the OPEB plan terms is provided for general information purposes only.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Water Authority – Component Unit (Continued)

Retirement Options/Benefit Provisions

The Authority offers medical (including Rx) coverage to eligible retirees and their spouses. The benefits are the same as those offered to active employees. For retirees who are not Medicare eligible, the medical benefits are provided through an HMO or Multi-Choice plan. The Authority pays a portion of the retiree and dependent premiums for medical coverage. Once retirees become Medicare eligible, the medical benefits are provided through a Medicare supplemental plan. The Authority pays the entire premium for the retiree. The retiree must pay the entire premium for dependent coverage. The retiree is responsible for purchasing Medicare Part A & B coverage. The Authority offers dental coverage to eligible retirees and their spouses. The Authority pays the dental insurance premium for the retiree. The retiree must pay the entire premium for dependent coverage. The Authority offers vision coverage to eligible retirees. The retiree must pay the entire premium for coverage.

Eligibility

Eligible participants for Other Post-Employment Benefits include retirees who retire from active service after age 55 and completion of 10 years of service. Additionally, the employee's years of service plus age must also equal 75 or more.

Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of July 1, 2015.

Active participants	213
Retirees and beneficiaries	32
Total	245

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Water Authority – Component Unit (Continued)

Contributions

Henry County Water Authority contributed an actuarially determined amount to the OPEB Plan's trust. The annual required contribution is determined using actuarial methods and assumptions approved by the Retirement Plans Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in GASB Statement 45.

Fiscal Year Beginning	Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
7/1/15	$ 1,192,135	$ 172,484	$ 14%	$ 7,795,661
7/1/14	1,011,230	157,929	16%	6,776,010
7/1/13	906,163	144,889	16%	5,922,709
7/1/12	792,968	147,300	19%	5,161,435
7/1/11	922,957	135,138	15%	4,515,767
7/1/10	1,387,139	84,840	6%	3,727,948

The Authority's annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution	$ 1,303,204
Interest on Net OPEB obligation	304,920
Adjustment to Annual Required Contribution	(415,989)
Annual OPEB cost	1,192,135
Contributions made or accrued	(172,484)
Increase in Net Obligation	1,019,651
Net OPEB obligation as of July 1, 2015	6,776,010
Net OPEB obligation as of June 30, 2016	$ 7,795,661

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Water Authority – Component Unit (Continued)

OPEB Plan

As of the most recent valuation date, July 1, 2015, the funded status of the OPEB Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (AAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
06/30/16	$ -	$ 9,539,429	$ 9,539,429	- %	$ 12,497,500	76.3 %
06/30/15	-	8,038,566	8,038,566	-	12,333,741	65.2
06/30/14	-	6,983,441	6,983,441	-	11,974,506	58.3
06/30/13	-	6,189,591	6,189,591	-	10,840,131	57.1
06/30/12	-	6,797,083	6,797,083	-	10,524,399	64.6

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the annual required contributions of the employer are based on the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2015. The assumptions used in the July 1, 2015 actuarial valuation are on the following page.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Water Authority – Component Unit (Continued)

Basis of Valuation	
Current Valuation Date	July 1, 2015
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Discount rate for benefit obligations	4.50%
Healthcare cost trend rates	9.0% graded by .5% per year to an ultimate rate of 5.0%
Amortization method	Level dollar amount over 30 years based on open group
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effectiveamortization period of 30 years
Mortality	RPH-2015 Total Dataset Mortality Table, full generational using Scale MP-2015
Plan participation	100% of future eligible retirees are assumed to elect coverage for themselves and their spouses

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

NOTE 13. HOTEL/MOTEL TAX

The County has levied a 5% hotel/motel tax. Of this percentage, 2% plus 15.71% of the remaining 3% is given to the Henry County Chamber of Commerce to be used for the promotion of tourism. For the fiscal year ended June 30, 2016, the County collected $639,963 of hotel/motel taxes. Of this amount, $315,960, or 49.37%, was given to the Chamber. The remaining funds of $324,003, or 50.63%, are kept by the County and used for other activities promoting tourism.

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) Property and Liability Insurance Fund, and is a member of the Group Self Insurance Workers' Compensation Fund (GSIWCF) for its workers' compensation risks. Both GIRMA and GSIWCF exist by authority of the Official Code of Georgia (OCGA), and both participate in risk sharing arrangements among Georgia county governments. The memberships allow the County to share liability, crime, workers' compensation, motor vehicle and property damage risks.

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

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

Chapter 85 of Title 36 and Chapter 9 of Title 34 of the OCGA authorize Georgia counties to form interlocal management agencies. GIRMA and GSIWCF act as risk management agencies to function as unincorporated nonprofit instrumentalities of its member counties. GIRMA and GSIWCF establish and administer one or more group self-insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property and workers' compensation losses occurring in the operation of member governments.

NOTE 14. RISK MANAGEMENT (CONTINUED)

The County retains the first $300,000 (in the form of a deductible) on its workers' compensation claims, and retains the first $25,000 (in the form of a deductible) of each risk of loss for all other property and liability losses. The County files all claims with GIRMA and GSIWCF, respectively, and these instrumentalities bill the County for any risk of loss up to the deductible amounts.

The basis for estimating the liabilities for unpaid claims is an incurred, but not reported, calculation as established by an actuary. The County's liability of $3,520,000 as of June 30, 2016 is based on the requirements of Governmental Accounting Standards Board Statement 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.

The County pays an annual premium to GIRMA and GSIWCF for the above referenced coverages, and GIRMA and GSIWCF are self-sustaining through member premiums. There have been no significant reductions of insurance coverages, and settlement amounts have not exceeded coverages for the current year or the three prior years.

NOTE 15. LANDFILL POSTCLOSURE CARE

Effective June 30, 1993, the Henry County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years after receiving its closure certification. The County received its closure certification on October 26, 1996. As of June 30, 2016, the County has an estimated 11 years of monitoring remaining. Engineering studies estimate postclosure costs of approximately $383,583 over the 12-year period. These costs are based on what it would cost to perform all postclosure care as of June 30, 2016. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet, at June 30, 2016, the County has contractual commitments on uncompleted contracts of approximately $14,172,627.

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. Net of an aggregation of insurance coverage currently in place, and relative to any and all outstanding litigation faced by the County as of June 30, 2016, it is considered to be reasonably possible for the County to incur some form of obligation ranging from approximately $3,900,000 to $4,400,000.

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, County management believes such disallowances, if any, will not be significant.

NOTE 16. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contract with the Hospital Authority of Henry County:

Henry County had previously entered into a contract with the Hospital Authority of Henry County (the "Hospital Authority") which obligated Henry County to make certain payments to the Hospital Authority in consideration of the Hospital Authority's agreement to provide hospital care to the County's indigent sick. Pursuant to an executed contract between the County and the Hospital Authority, the County is obligated to make payments, if necessary, in amounts sufficient to enable the Hospital Authority to provide for payment of the principal and interest on certain bonds. Since that time, Piedmont Hospital has affiliated its hospital with Henry Medical Center, thereby making it known as Piedmont Henry Medical Center. Henry County is still contractually liable to guaranty the bond debt per its original contract with the Hospital Authority. However, Piedmont agreed to reimburse the County through a separate "Guaranty/Reimbursement Agreement" it has with Henry Medical Center. This agreement provides the County with the guaranty that Piedmont "economically holds the County harmless" from both the debt service payments and the indigent care payments under the original contract. Therefore, Piedmont is contractually obligated to "repay" Henry County any amount the County is obligated to pay under the original contract. Henry County still serves as the guarantor of the bond debt for as long as the bonds are outstanding.

NOTE 17. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the 10-county Atlanta region, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. During its year ended June 30, 2016, the County paid $219,650 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from:

Atlanta Regional Commission
40 Courtland Street, N.E.
Atlanta, Georgia 30303

REQUIRED SUPPLEMENTARY INFORMATION

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY

Primary Government

	2016	2015
Total pension liability		
Service cost	$ 5,000,446	$ 4,959,819
Interest on total pension liability	11,084,210	10,373,273
Differences between expected and actual experience	2,927,252	-
Changes of assumptions	5,035,153	-
Benefit payments, including refunds of employee contributions	(6,667,304)	(5,040,560)
Net change in total pension liability	17,379,757	10,292,532
Total pension liability - beginning	151,123,116	140,830,584
Total pension liability - ending (a)	$ 168,502,873	$ 151,123,116
Plan fiduciary net position		
Contributions - employer	$ 6,351,188	$ 6,757,421
Contributions - employee	4,288,639	3,760,592
Net investment income	919,240	7,496,020
Benefit payments, including refunds of employee contributions	(6,913,483)	(6,312,011)
Administrative expenses	(246,354)	(214,659)
Other	(1,190,092)	-
Net change in fiduciary net position	3,209,138	11,487,363
Plan fiduciary net position - beginning	119,622,023	108,134,660
Plan fiduciary net position - ending (b)	$ 122,831,161	$ 119,622,023
County's net pension liability - ending (a) - (b)	$ 45,671,712	$ 31,501,093

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY

Primary Government – Continued

	2016	2015
Plan fiduciary net position as a percentage of total pension liability	72.90%	79.16%
Covered-employee payroll	67,545,053	61,866,545
County's net pension liability as a percentage of covered -employee payroll	67.62%	50.92%

Notes to the Schedule

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

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS

Primary Government

	2016	2015
Actuarially determined contribution	$ 6,706,985	$ 6,959,148
Contributions in relation to the actuarially determined contribution	6,509,170	6,757,492
Contribution deficiency (excess)	$ 197,815	$ 201,656
Covered-employee payroll	67,545,053	61,866,545
Contributions as a percentage of Covered-employee payroll	9.64%	10.92%

Notes to the Schedule

(1) Actuarial Assumptions

Valuation date	January 1, 2015
Cost method	Entry Age Normal
Actuarial asset valuation method	Smoothed market value with a 5-year smoothing period
Assumed rate of return on investments	7.50%
Projected salary increases	1.00% - 3.50%
Amortization method	Closed level dollar for unfunded liability
Remaining amortization period	None remaining

(2) The schedule will present 10 years of information once it is accumulated

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF HENRY COUNTY WATER AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Water Authority – Component Unit

	2016	2015
Total pension liability		
Service cost	$ 873,093	$ 828,707
Interest on total pension liability	2,437,024	2,402,683
Differences between expected and actual experience	1,626,538	(279,992)
Changes of assumptions	-	(1,474,753)
Benefit payments, including refunds of employee contributions	(1,086,584)	(980,474)
Net change in total pension liability	3,850,071	496,171
Total pension liability - beginning	31,988,766	31,492,595
Total pension liability - ending (a)	$ 35,838,837	$ 31,988,766
Plan fiduciary net position		
Contributions - employer	$ 2,581,723	$ 2,148,491
Contributions - employee	583,536	554,460
Net investment income	244,742	2,643,980
Benefit payments, including refunds of employee contributions	(1,086,584)	(980,474)
Administrative expenses	(36,929)	(28,323)
Net change in fiduciary net position	2,286,488	4,338,134
Plan fiduciary net position - beginning	27,265,051	22,926,917
Plan fiduciary net position - ending (b)	$ 29,551,539	$ 27,265,051
Authority's net pension liability - ending (a) - (b)	$ 6,287,298	$ 4,723,715

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF HENRY COUNTY WATER AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Water Authority – Component Unit (Continued)

	2016	2015
Plan fiduciary net position as a percentage of total pension liability	82.46%	85.23%
Covered-employee payroll	11,570,213	10,400,334
Authority's net pension liability as a percentage of covered -employee payroll	54.34%	45.42%

Notes to the Schedule

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

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN FOR THE EMPLOYEES OF HENRY COUNTY WATER AUTHORITY
SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Water Authority – Component Unit

	2016	2015
Actuarially determined contribution	$ 910,825	$ 1,134,312
Contributions in relation to the actuarially determined contribution	2,866,292	2,557,728
Contribution deficiency (excess)	$ (1,955,467)	$ (1,423,416)
Covered-employee payroll	11,570,213	10,400,334
Contributions as a percentage of Covered-employee payroll	24.77%	24.59%

Notes to the Schedule

(1) Actuarial Assumptions

Valuation Date	January 1, 2016
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.75% - 8.75% (including 3.25% inflation)
Cost of Living Adjustments	1.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amoritzation period of 30 years.

(2) The schedule will present 10 years of information once it is accumulated

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Health Department – Component Unit

	2016	2015
Department's proportion of the net pension liability	0.039911 %	0.040866 %
Department's proportionate share of the net pension liability	$ 1,616,953	$ 873,556
Department's covered-employee payroll	$ 901,764	$ 539,749
Department's proportionate share of the net pension liability as a percentage of covered-employee payroll	179.31 %	161.84 %
Plan fiduciary net position as a percentage of the total pension liability	76.20 %	77.99 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Health Department – Component Unit

	2016	2015
Contractually required contribution	$ 222,040	$ 202,038
Contributions made in relation to the contractually required contribution	$ (222,040)	$ (202,038)
Contribution deficit (excess)	$ -	$ -
Covered-employee payroll	$ 901,764	$ 932,520
Contributions made as a percentage of covered-employee payroll	24.62	21.67 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

HENRY COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Health Department – Component Unit

Changes in assumptions: There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

Valuation Date	June 30, 2013
Cost Method	Entry Age
Amortization Method	Level dollar, closed
Remaining Amortization Period	25 years
Actuarial Asset Valuation Method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Henry County Library System – Component Unit

	2016	2015
System's proportion of the net pension liability	0.009277 %	0.009537 %
System's proportionate share of the net pension liability	$ 1,412,331	$ 1,204,874
System's covered-employee payroll	$ 968,188	$ 889,845
System's proportionate share of the net pension liability as a percentage of covered-employee payroll	145.87 %	135.40 %
Plan fiduciary net position as a percentage of the total pension liability	81.43 %	84.03 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

HENRY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Henry County Library System – Component Unit

	2016	2015
Contractually required contribution	$ 128,776	$ 109,273
Contributions made in relation to the contractually required contribution	$ (128,776)	$ (109,273)
Contribution deficit (excess)	$ -	$ -
Department's covered-employee payroll	$ 968,188	$ 889,845
Contributions made as a percentage of covered-employee payroll	13.30	12.28 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

HENRY COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Henry County Library System – Component Unit

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2015 reported in that schedule:

Valuation Date	June 30, 2012
Cost Method	Entry Age
Amortization Method	Level percentage of payroll, open
Remaining Amortization Period	30 years
Actuarial Asset Valuation Method	7-year smoothed market
Inflation rate	3.00%
Salary increases	3.75% - 7.00%, including inflation
Investment rate of return	7.50% net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Confiscated Assets Fund – This fund is used to account for cash received either as a result of a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Hotel/Motel Tax Fund – This fund is used to account for funds collected from the hotel/motel tax and disbursed to other agencies.

E-911 Fund – This fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Law Library Fund – This fund is used to account for the resources received from the various courts of Henry County and disbursements for the support of a centralized law library.

Court Fund – This fund is used to account for revenues received from the various courts in the County which are reserved for specific uses.

Technology Fund – This fund is used to account for fees collected by the State Court which are to be used to provide for the technological needs of the court.

CDBG Fund – This fund is used to account for grant monies received to fund qualified programs to benefit the underprivileged.

Henry First Fund – This fund is used to account for revenues received relative to the Henry First initiative and its sole purpose is to search and receive grants and donations from other entities and/or individuals who can only donate to non-profit organizations.

Juvenile Assistance Fund – This fund is used to account for fees collected by the Juvenile Court which are to be used for mediation costs and other ancillary services on behalf of juveniles under the court's supervision.

Grant Fund – This fund is used to account for grant funds received for various programs.

Drug Court Fund – This fund is used to account for revenues received from the Superior Drug Court related to participant fees.

Neighborhood Stabilization 3 Fund – This fund is used to account for revenues received from the Neighborhood Stabilization grant program.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Fund – This fund accounts for accumulation of resources for the payment of general long-term debt principal and interest of the County.

Capital Projects Funds

Development Authority Fund – This fund is a blended component unit and reported as if it were part of the primary government because of the intergovernmental agreement between the County and the Henry County Development Authority through capital lease arrangements relative to the Henry County Development Authority's currently outstanding long-term debts.

Capital Asset Fund – This fund is used to account for the financial resources to be used to purchase or construct major capital facilities other than those accounted for in specific funds.

2002 SPLOST Fund – This fund is used to account for the revenue and expenditures relating to the 2002 one percent Special Purpose Local Option Sales Tax.

2008 SPLOST Fund – This fund is used to account for the revenue and expenditures relating to the 2008 one percent Special Purpose Local Option Sales Tax.

Impact Fees Fund – This fund is used to account for capital projects activity funded by developmental impact fees.

HENRY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue						
ASSETS	**Confiscated Assets Fund**	**Hotel/Motel Tax Fund**	**E-911 Fund**	**Law Library Fund**	**Court Fund**	**Technology Fund**	**CDBG Fund**
Cash and cash equivalents	$ 1,182,352	$ 38	$ 1,428,371	$ 125,244	$ 917,121	$ 48,804	$ -
Investments	1,002,480	-	6,006,944	-	-	-	-
Accounts receivable	-	148,164	626,226	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other governments	1,418	-	-	-	26,289	-	38,073
Due from other funds	8,063	-	-	-	-	-	-
Total assets	$ 2,194,313	$ 148,202	$ 8,061,541	$ 125,244	$ 943,410	$ 48,804	$ 38,073
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 48,277	$ 71,901	$ 41,267	$ -	$ 846	$ -	$ 25,852
Due to other governments	-	-	-	-	-	-	
Due to other funds	-	76,301	421,787	-	129,276	-	12,634
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	48,277	148,202	463,054	-	130,122	-	38,486
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - period of availability	-	-	-	-	-	-	-
FUND BALANCES							
Restricted							
Capital projects	-	-	-	-	79,002	48,804	-
Housing and development	-	-	-	-	-	-	-
Federal and State grants	-	-	-	-	-	-	-
Citizen welfare	-	-	-	-	798,169	-	-
Law enforcement purposes	2,146,036	-	-	125,244	21	-	-
Public safety purposes	-	-	7,598,487	-	-	-	-
Unassigned	-	-	-	-	(63,904)	-	(413)
Total fund balances (deficits)	2,146,036	-	7,598,487	125,244	813,288	48,804	(413)
balances	$ 2,194,313	$ 148,202	$ 8,061,541	$ 125,244	$ 943,410	$ 48,804	$ 38,073

HENRY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	Special Revenue					Debt Service
	Henry First Fund	Juvenile Assistance Fund	Grant Fund	Drug Court Fund	Neighborhood Stabilization 3 Fund	Debt Service Fund
Cash and cash equivalents	$ 35,301	$ 304,332	$ 137,123	$ -	$ 916,393	$ -
Investments	-	-	-	-	-	-
Accounts receivable	-	45,485	-	-	-	-
Inventory	-	-	-	-	600,739	-
Due from other governments	-	-	162,522	-	257,182	-
Due from other funds	-	-	844	-	-	-
Total assets	$ 35,301	$ 349,817	$ 300,489	$ -	$ 1,774,314	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 1,676	$ -	$ 13,479	$ -	$ 25,638	$ -
Due to other governments	-	-	-	-	-	-
Due to other funds	19,135	-	415,774	-	1,091,836	-
Unearned revenue	14,171	-	36,133	-	-	-
Total liabilities	34,982	-	465,386	-	1,117,474	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - period of availability	-	-	49,031	-	257,122	-
FUND BALANCES						
Restricted						
Capital projects	-	-	-	-		-
Housing and development	-	-	-	-		-
Federal and state grants	-	-	-	-	399,718	-
Citizen welfare	-	-	-	-		-
Law enforcement purposes	-	349,817	-	-		-
Public safety purposes	-	-	-	-		-
Unassigned	319	-	(213,928)	-		-
Total fund balances (deficits)	319	349,817	(213,928)	-	399,718	-
balances	$ 35,301	$ 349,817	$ 300,489	$ -	$ 1,774,314	$ -

HENRY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	Capital Projects					
	Development Auth. Fund	Capital Asset Fund	2002 SPLOST Fund	2008 SPLOST Fund	Impact Fees Fund	Total
Cash and cash equivalents	$ 684,221	$ 5,492,242	$ 1,123,429	$ 5,870,678	$ 1,982,461	$ 20,248,110
Investments	-	-	-	11,045,117	-	18,054,541
Accounts receivable	-	-	-	-	1,662	821,537
Inventory	-	-	-	-	-	600,739
Due from other governments	-	-	-	-	-	485,484
Due from other funds	-	-	-	-	-	8,907
Total assets	$ 684,221	$ 5,492,242	$ 1,123,429	$ 16,915,795	$ 1,984,123	$ 40,219,318
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 14,791	$ -	$ 1,430	$ 152,345	$ 51,893	$ 449,395
Due to other governments	-	-	-	112,373	-	112,373
Due to other funds	166	-	-	-	497,748	2,664,657
Unearned revenue	-	-	-	-	-	50,304
Total liabilities	14,957	-	1,430	264,718	549,641	3,276,729
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - period of availability	-	-	-	-	-	306,153
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted						
Capital projects	-	5,492,242	1,121,999	16,651,077	1,434,482	24,827,606
Housing and development	669,264	-	-	-	-	669,264
Federal and state grants	-	-	-	-	-	399,718
Citizen welfare	-	-	-	-	-	798,169
Law enforcement purposes	-	-	-	-	-	2,621,118
Public safety purposes	-	-	-	-	-	7,598,487
Unassigned	-	-	-	-	-	(277,926)
Total fund balances (deficits)	669,264	5,492,242	1,121,999	16,651,077	1,434,482	36,636,436
balances	$ 684,221	$ 5,492,242	$ 1,123,429	$ 16,915,795	$ 1,984,123	$ 40,219,318

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue						
	Confiscated Assets Fund	Hotel/Motel Tax Fund	E-911 Fund	Law Library Fund	Court Fund	Technology Fund	CDBG Fund
Revenues							
Taxes	$ -	$ 639,963	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,180,722
Charges for services	-	-	4,020,742	-	-	184,632	-
Fines and forfeitures	300,970	-	-	142,536	967,004	-	-
Investment income	1,960	38	9,641	48	735	36	-
Contributions	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	302,930	640,001	4,030,383	142,584	967,739	184,668	1,180,722
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Judicial	-	-	-	323,793	421,800	214,453	-
Public safety	827,869	-	2,783,131	-	-	-	-
Housing and development	-	315,960	-	-	-	-	1,180,774
Culture and recreation	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	
Total expenditures	827,869	315,960	2,783,131	323,793	421,800	214,453	1,180,774
Excess (deficiency) of revenues over (under) expenditures	(524,939)	324,041	1,247,252	(181,209)	545,939	(29,785)	(52)
Other financing sources (uses)							
Issuance of bonds	-	-	-	-	-	-	-
Premium on the issuance of bonds	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-
Transfers in	-	-	-	-	140,302	-	-
Transfers out	-	(324,041)	(331,552)	-	(874,535)	-	-
Proceeds from sale of capital assets	7,859	-	-	-	-	-	-
Total other financing sources (uses)	7,859	(324,041)	(331,552)	-	(734,233)	-	-
Net change in fund balances	(517,080)	-	915,700	(181,209)	(188,294)	(29,785)	(52)
Fund balances (deficits), beginning of year	2,663,116	-	6,682,787	306,453	1,001,582	78,589	(361)
Fund balances (deficits), end of year	$ 2,146,036	$ -	$ 7,598,487	$ 125,244	$ 813,288	$ 48,804	$ (413)

(Continued)

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue					Debt Service
	Henry First Fund	Juvenile Assistance Fund	Grant Fund	Drug Court Fund	Neighborhood Stabilization 3 Fund	Debt Service Fund
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	1,130,117	-	1,860,912	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	68,824	-	34,136	-	-
Investment income	94	485	-	-	-	-
Contributions	-	-	-	-	-	-
Miscellaneous	32,026	-	316	-	-	-
Total revenues	32,120	69,309	1,130,433	34,136	1,860,912	-
Expenditures						
Current:						
General government	-	-	-	-	20,922	-
Judicial	-	48,091	-	71,101	-	-
Public safety	-	-	1,393,321	-	-	-
Housing and development	-	-	-	-	2,495,144	-
Culture and recreation	34,652	-	-	-		-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	4,103,756
Interest	-	-	-	-	-	683,156
Issuance costs		-	-	-	-	143,059
Total expenditures	34,652	48,091	1,393,321	71,101	2,516,066	4,929,971
Excess (deficiency) of revenues over (under) expenditures	(2,532)	21,218	(262,888)	(36,965)	(655,154)	(4,929,971)
Other financing sources (uses)						
Issuance of bonds	-	-	-	-	-	9,645,000
Premium on the issuance of bonds	-	-	-	-	-	707,285
Payments to escrow agent	-	-	-	-	-	(10,203,708)
Transfers in	2,851	-	358,349	-	-	4,781,394
Transfers out	-	-	(53,996)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	2,851	-	304,353	-	-	4,929,971
Net change in fund balances	319	21,218	41,465	(36,965)	(655,154)	-
Fund balances (deficits), beginning of year	-	328,599	(255,393)	36,965	1,054,872	-
Fund balances (deficits), end of year	$ 319	$ 349,817	$ (213,928)	$ -	$ 399,718	$ -

(Continued)

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Capital Projects					
	Development Authority Fund	Capital Asset Fund	2002 SPLOST Fund	2008 SPLOST Fund	Impact Fees Fund	Total
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 639,963
Licenses and permits	-	-	-	-	1,676,513	1,676,513
Intergovernmental	-	-	-	-	-	4,171,751
Charges for services	12,400	-	-	600	-	4,218,374
Fines and forfeitures	-	-	-	-	-	1,513,470
Investment income	3,576	594	894	50,938	1,182	70,221
Contributions	500	-	-	-	-	500
Miscellaneous	125,000	-	-	-	-	157,342
Total revenues	141,476	594	894	51,538	1,677,695	12,448,134
Expenditures						
Current:						
General government	-	-	-	-	-	20,922
Judicial	-	-	-	-	-	1,079,238
Public safety	-	-	-	-	-	5,004,321
Housing and development	539,873	-	-	-	-	4,531,751
Culture and recreation	-	-	-	-	-	34,652
Intergovernmental	-	-	-	456	-	456
Capital outlay	-	80,000	108,294	3,632,215	294,649	4,115,158
Debt service:						
Principal	-	-	-	-	-	4,103,756
Interest	-	-	-	-	-	683,156
Issuance costs	-	-	-	-	-	143,059
Total expenditures	539,873	80,000	108,294	3,632,671	294,649	19,716,469
Excess (deficiency) of revenues over (under) expenditures	(398,397)	(79,406)	(107,400)	(3,581,133)	1,383,046	(7,268,335)
Other financing sources (uses)						
Issuance of bonds	-	-	-	-	-	9,645,000
Premium on the issuance of bonds	-	-	-	-	-	707,285
Payments to escrow agent	-	-	-	-	-	(10,203,708)
Transfers in	468,090	5,000,000	-	-	-	10,750,986
Transfers out	-	-	-	-	(937,585)	(2,521,709)
Proceeds from sale of capital assets	-	-	-	-	-	7,859
Total other financing sources (uses)	468,090	5,000,000	-	-	(937,585)	8,385,713
Net change in fund balances	69,693	4,920,594	(107,400)	(3,581,133)	445,461	1,117,378
Fund balances (deficits), beginning of year	599,571	571,648	1,229,399	20,232,210	989,021	35,519,058
Fund balances (deficits), end of year	$ 669,264	$ 5,492,242	$ 1,121,999	$ 16,651,077	$ 1,434,482	$ 36,636,436

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Confiscated Assets Fund			Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ 639,964	$ 639,963	$ (1)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	300,972	300,970	(2)	-	-	-
Investment income	1,960	1,960	-	39	38	(1)
Miscellaneous	-	-	-	-	-	-
Total revenues	302,932	302,930	(2)	640,003	640,001	(2)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	827,874	827,869	5	-	-	-
Housing and development	-	-	-	315,961	315,960	1
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	827,874	827,869	5	315,961	315,960	1
Excess (deficiency) of revenues over (under) expenditures	(524,942)	(524,939)	3	324,042	324,041	(1)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(324,042)	(324,041)	1
Proceeds from sale of capital assets	7,859	7,859	-	-	-	-
Total other financing sources (uses)	7,859	7,859	-	(324,042)	(324,041)	1
Net change in fund balances	(517,083)	(517,080)	3	-	-	-
Fund balances (deficits), beginning of year	2,663,116	2,663,116	-	-	-	-
Fund balances (deficits), end of year	$ 2,146,033	$ 2,146,036	$ 3	$ -	$ -	$ -

(Continued)

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	E-911 Fund			Law Library Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	4,026,795	4,020,742	(6,053)	-	-	-
Fines and forfeitures	-	-	-	128,556	142,536	13,980
Investment income	9,641	9,641	-	120	48	(72)
Miscellaneous	-	-	-	-	-	-
Total revenues	4,036,436	4,030,383	(6,053)	128,676	142,584	13,908
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	324,322	323,793	529
Public safety	3,656,881	2,783,131	873,750	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	3,656,881	2,783,131	873,750	324,322	323,793	529
Excess (deficiency) of revenues over (under) expenditures	379,555	1,247,252	867,697	(195,646)	(181,209)	14,437
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(379,555)	(331,552)	48,003	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	(379,555)	(331,552)	48,003	-	-	-
Net change in fund balances	-	915,700	915,700	(195,646)	(181,209)	14,437
Fund balances (deficits), beginning of year	6,682,787	6,682,787	-	306,453	306,453	-
Fund balances (deficits), end of year	$ 6,682,787	$ 7,598,487	$ 915,700	$ 110,807	$ 125,244	$ 14,437

(Continued)

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Court Fund			Technology Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	41,166	184,632	143,466
Fines and forfeitures	874,326	967,004	92,678	173,087	-	(173,087)
Investment income	703	735	32	200	36	(164)
Miscellaneous	-	-	-	-	-	-
Total revenues	875,029	967,739	92,710	214,453	184,668	(29,785)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	434,090	421,800	12,290	214,453	214,453	-
Public safety	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	434,090	421,800	12,290	214,453	214,453	-
Excess (deficiency) of revenues over (under) expenditures	440,939	545,939	105,000	-	(29,785)	(29,785)
Other financing sources (uses)						
Transfers in	75,135	140,302	65,167	-	-	-
Transfers out	(678,180)	(874,535)	(196,355)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	(603,045)	(734,233)	(131,188)	-	-	-
Net change in fund balances	(162,106)	(188,294)	(26,188)	-	(29,785)	(29,785)
Fund balances (deficits), beginning of year	1,001,582	1,001,582	-	78,589	78,589	-
Fund balances (deficits), end of year	$ 839,476	$ 813,288	$ (26,188)	$ 78,589	$ 48,804	$ (29,785)

(Continued)

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Henry First Fund			Juvenile Assistance Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	46,748	68,824	22,076
Investment income	95	94	(1)	485	485	-
Miscellaneous	32,026	32,026	-	-	-	-
Total revenues	32,121	32,120	(1)	47,233	69,309	22,076
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	48,091	48,091	-
Public safety	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	34,974	34,652	322	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	34,974	34,652	322	48,091	48,091	-
Excess (deficiency) of revenues over (under) expenditures	(2,853)	(2,532)	321	(858)	21,218	22,076
Other financing (uses)						
Transfers in	-	2,851	2,851	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing (uses)	-	2,851	2,851	-	-	-
Net change in fund balances	(2,853)	319	3,172	(858)	21,218	22,076
Fund balances (deficits), beginning of year	-	-	-	328,599	328,599	-
Fund balances (deficits), end of year	$ (2,853)	$ 319	$ 3,172	$ 327,741	$ 349,817	$ 22,076

(Continued)

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Grant Fund			CDBG Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	1,185,679	1,130,117	(55,562)	1,181,722	1,180,722	(1,000)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	316	316	-	-	-
Total revenues	1,185,679	1,130,433	(55,246)	1,181,722	1,180,722	(1,000)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	1,490,350	1,393,321	97,029	-	-	-
Housing and development	-	-	-	1,181,722	1,180,774	948
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,490,350	1,393,321	97,029	1,181,722	1,180,774	948
Excess (deficiency) of revenues over (under) expenditures	(304,671)	(262,888)	41,783	-	(52)	(52)
Other financing sources (uses)						
Transfers in	358,350	358,349	(1)	-	-	-
Transfers out	-	(53,996)	(53,996)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	358,350	304,353	(53,997)	-	-	-
Net change in fund balances	53,679	41,465	(12,214)	-	(52)	(52)
Fund balances (deficits), beginning of year	(255,393)	(255,393)	-	(361)	(361)	-
Fund balances (deficits), end of year	$ (201,714)	$ (213,928)	$ (12,214)	$ (361)	$ (413)	$ (52)

(Continued)

HENRY COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Drug Court Fund			Neighborhood Stabilization 3 Fund		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	1,860,912	$ 1,860,912	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	34,136	34,136	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	34,136	34,136	-	1,860,912	1,860,912	-
Expenditures						
Current:						
General government	-	-	-	22,077	20,922	1,155
Judicial	71,102	71,101	1	-	-	-
Public safety	-	-	-	-	-	-
Housing and development	-	-	-	2,495,155	2,495,144	11
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	71,102	71,101	1	2,517,232	2,516,066	1,166
Excess (deficiency) of revenues over (under) expenditures	(36,966)	(36,965)	1	(656,320)	(655,154)	1,166
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(36,966)	(36,965)	1	(656,320)	(655,154)	1,166
Fund balances (deficits), beginning of year	36,965	36,965	-	1,054,872	1,054,872	-
Fund balances (deficits), end of year	$ (1)	$ -	$ 1	$ 398,552	$ 399,718	$ 1,166

HENRY COUNTY, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance With Final Budget
Revenues			
Investment income	$ -	$ -	$ -
Total revenues	-	-	-
Expenditures			
Current:			
General government	2,207,253	-	2,207,253
Debt service:			
Principal	2,321,536	4,103,756	(1,782,220)
Interest and fiscal charges	478,705	683,156	(204,451)
Issuance costs	-	143,059	(143,059)
Total expenditures	5,007,494	4,929,971	77,523
Deficiency of revenues under expenditures	(5,007,494)	(4,929,971)	77,523
Other financing sources			
Issuance of bonds	-	9,645,000	9,645,000
Premium on the issuance of bonds	-	707,285	707,285
Payments to escrow agentTransfers in	-	(10,203,708)	(10,203,708)
Transfers in	5,007,494	4,781,394	(226,100)
Transfers out	-	-	-
Total other financing sources	5,007,494	4,929,971	(77,523)
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

HENRY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2002 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Senior citizens center	$ 2,200,000	$ -	$ -	$ -	$ -
Stockbridge tag office and land acquisition	400,000	190,000	187,889	-	187,889
Court annex/judicial annex building	7,300,000	13,000,000	14,271,990	-	14,271,990
Community center(s) for family and youth activities	5,000,000	-	-	-	-
Library facilities	5,700,000	7,997,059	6,593,067	-	6,593,067
Animal shelter	1,000,000	1,185,600	1,162,565	-	1,162,565
Fire stations	2,200,000	2,969,000	3,200,511	-	3,200,511
Park and recreational facilities	12,000,000	12,475,000	10,587,890	67,266	10,655,156
Roads, streets, curbs, bike paths, gutters, sidewalks and bridges	85,016,659	79,000,000	83,408,454	32,506	83,440,960
City of Hampton	3,011,785	3,011,785	3,011,784	-	3,011,784
City of Locust Grove	1,822,417	1,822,417	1,822,418	-	1,822,418
City of McDonough	6,637,436	6,637,436	6,637,437	-	6,637,437
City of Stockbridge	7,711,703	7,711,703	7,711,703	-	7,711,703
Program management	-	4,000,000	10,894,131	8,522	10,902,653
	$ 140,000,000	$ 140,000,000	$ 149,489,839	$ 108,294	$ 149,598,133

HENRY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2008 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Senior citizens center	$ 4,590,000	$ 2,706,763	$ 2,687,890	$ -	$ 2,687,890
Social services facilities	2,142,000	2,000,000	1,709,063	-	1,709,063
Parking deck	4,500,000	3,500,000	3,375,657	-	3,375,657
Library facilities	2,895,000	2,895,000	2,473,397	-	2,473,397
Civic center and performing arts center	1,000,000	-	70	-	70
Public safety facilities	8,768,000	2,939,409	5,357,908	-	5,357,908
Park and recreational facilities	11,250,000	8,009,156	10,620,672	15,586	10,636,258
Land acquisition	17,235,000	17,235,000	17,231,729	-	17,231,729
Roads, streets, curbs, bike paths, gutters, sidewalks and bridges	120,500,000	92,125,000	90,313,125	3,616,601	93,929,726
City of Hampton	6,120,000	4,545,305	4,070,056	-	4,070,056
City of Locust Grove	6,120,000	4,545,305	4,091,904	-	4,091,904
City of McDonough	21,474,000	15,948,671	14,768,670	484	14,769,154
City of Stockbridge	26,286,000	19,960,719	18,290,316	-	18,290,316
Program management	7,120,000	3,590,000	3,876,146	-	3,876,146
	$ 240,000,000	$ 180,000,328	178,866,603	3,632,671	182,499,274
Transfers to the Debt Service Fund for the purpose of repayment of principal and interest on debt. **(1)**			97,911,235	-	97,911,235
Total 2008 SPLOST Fund expenditures for the prior years and the current fiscal year			$ 276,777,838	$ 3,632,671	$ 280,410,509

Note (1): Amount previously misreported on SPLOST schedule and represents transfers to Debt Service Fund for payment of principal and interest on SPLOST revenue bonds.

HENRY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2014 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Public safety facilities	$ 12,320,000	$ 12,320,000	$ 334,623	$ 2,553,142	$ 2,887,765
Technical college construction	5,000,000	5,000,000	-	-	-
Public safety vehicles and equipment	3,886,806	3,886,806	782,372	759,548	1,541,920
911 radio replacement	7,000,000	7,000,000	-	-	-
Senior services facilities	4,050,000	4,050,000	290,652	1,263,895	1,554,547
Park and recreational facilities	12,863,639	12,863,639	2,354,010	4,367,678	6,721,688
Sewer construction and improvements	4,000,000	4,000,000	4,000,000	-	4,000,000
Roads, streets, sidewalks and bridges	86,529,555	86,529,555	2,666,259	8,882,454	11,548,713
Transportation equipment	450,000	450,000	67,757	344,489	412,246
Airport FBO	1,000,000	1,000,000	-	-	-
Jail renovations	1,500,000	1,500,000	12,977	534,267	547,244
City of Hampton	5,528,430	5,528,430	1,132,918	826,445	1,959,363
City of Locust Grove	4,269,823	4,269,823	712,282	1,755,586	2,467,868
City of McDonough	17,449,743	17,449,743	2,979,429	2,823,708	5,803,137
City of Stockbridge	20,252,004	20,252,004	3,459,228	2,405,827	5,865,055
Program management	3,900,000	3,900,000	776,477	1,001,056	1,777,533
	$ 190,000,000	$ 190,000,000	$ 19,568,984	$ 27,518,095	$ 47,087,079
Repayment of interest on debt and bond issuance cost. Proceeds included in projects above.			-	4,383,249	
Total 2014 SPLOST Fund expenditures for the current fiscal year			$ 19,568,984	$ 31,901,344	

AGENCY FUNDS

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Sheriff – This fund is used to account for the collection of fines and bond forfeitures and the subsequent remittance to the applicable parties.

Flint Drug Task Force – This fund is used to account for the monies received by the task force.

The following agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law: **Clerk of Superior Court, Probate Court, Magistrate Court, State Court, and Juvenile Court.**

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	State Court	Juvenile Court	Flint Drug Task Force	Total
Cash and cash equivalents	$ 3,189,111	$ 3,429,157	$ 166,295	$ 81,741	$ 337,577	$ 452,042	$ 14,097	$ 204,994	$ 7,875,014
Taxes receivable	3,397,821	-	-	-	-	-	-	-	3,397,821
Total assets	$ 6,586,932	$ 3,429,157	$ 166,295	$ 81,741	$ 337,577	$ 452,042	$ 14,097	$ 204,994	$ 11,272,835
LIABILITIES									
Due to component unit	$ 16,929	$ 23,718	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,647
Due to others	6,570,003	3,405,439	166,295	81,741	337,577	452,042	14,097	204,994	11,232,188
Total liabilities	$ 6,586,932	$ 3,429,157	$ 166,295	$ 81,741	$ 337,577	$ 452,042	$ 14,097	$ 204,994	$ 11,272,835

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 3,185,721	$ 147,070,778	$ 147,067,388	$ 3,189,111
Taxes receivable	3,768,681	3,397,821	3,768,681	3,397,821
	$ 6,954,402	$ 150,468,599	$ 150,836,069	$ 6,586,932
LIABILITIES				
Due to component unit	$ 22,870	$ 12,103,072	$ 12,109,013	$ 16,929
Due to others	6,931,532	138,365,527	138,727,056	6,570,003
	$ 6,954,402	$ 150,468,599	$ 150,836,069	$ 6,586,932
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 3,003,496	$ 5,940,946	$ 5,515,285	$ 3,429,157
LIABILITIES				
Due to component unit	$ 21,709	$ 158,334	$ 156,325	$ 23,718
Due to others	2,981,787	5,782,612	5,358,960	3,405,439
	$ 3,003,496	$ 5,940,946	$ 5,515,285	$ 3,429,157

(Continued)

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 61,286	$ 545,363	$ 440,354	$ 166,295
LIABILITIES				
Due to others	$ 61,286	$ 545,363	$ 440,354	$ 166,295
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 80,237	$ 746,504	$ 745,000	$ 81,741
LIABILITIES				
Due to others	$ 80,237	$ 746,504	$ 745,000	$ 81,741
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 295,843	$ 1,477,373	$ 1,435,639	$ 337,577
LIABILITIES				
Due to others	$ 295,843	$ 1,477,373	$ 1,435,639	$ 337,577

(Continued)

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
STATE COURT				
ASSETS				
Cash and cash equivalents	$ 385,505	$ 3,897,766	$ 3,831,229	$ 452,042
LIABILITIES				
Due to others	$ 385,505	$ 3,897,766	$ 3,831,229	$ 452,042
JUVENILE COURT				
ASSETS				
Cash and cash equivalents	$ 14,056	$ 9,752	$ 9,711	$ 14,097
LIABILITIES				
Due to others	$ 14,056	$ 9,752	$ 9,711	$ 14,097
FLINT DRUG TASK FORCE				
ASSETS				
Cash and cash equivalents	$ 115,419	$ 318,124	$ 228,549	$ 204,994
LIABILITIES				
Due to others	$ 115,419	$ 318,124	$ 228,549	$ 204,994

(Continued)

HENRY COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 7,141,563	$ 160,006,606	$ 159,273,155	$ 7,875,014
Taxes receivable	3,768,681	3,397,821	3,768,681	3,397,821
	$ 10,910,244	$ 163,404,427	$ 163,041,836	$ 11,272,835
LIABILITIES				
Due to component unit	$ 44,579	$ 12,261,406	$ 12,265,338	$ 40,647
Due to others	10,865,665	151,143,021	150,776,498	11,232,188
	$ 10,910,244	$ 163,404,427	$ 163,041,836	$ 11,272,835

COMPONENT UNITS

HENRY COUNTY, GEORGIA

BALANCE SHEET
COMPONENT UNIT - LIBRARY SYSTEM
JUNE 30, 2016

ASSETS	
Cash and cash equivalents	$ 1,051,069
Investments	28,883
Accounts receivable	119,785
Total assets	$ 1,199,737
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 77,358
Accrued liabilities	69,175
Total liabilities	146,533
FUND BALANCE	
Unassigned	1,053,204
Total fund balance	1,053,204
Total liabilities and fund balance	$ 1,199,737

HENRY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPONENT UNIT - LIBRARY SYSTEM FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenues	
Intergovernmental	$ 2,485,954
Investment income	1,820
Contributions	4,415
Other revenues	467,414
Total revenues	2,959,603
Expenditures	
Culture and recreation	2,536,454
Total expenditures	2,536,454
Net change in fund balance	423,149
Fund balance, beginning of year	630,055
Fund balance, end of year	$ 1,053,204

HENRY COUNTY, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	$ 413,046,368	$ 462,166,271	$ 505,440,842	$ 523,541,747	$ 541,151,869	$ 558,373,308	$ 568,049,432	$ 581,339,331	$ 582,115,380	$ 582,115,380
Restricted	23,301,103	28,053,327	85,167,736	64,041,244	74,194,079	66,329,286	67,078,084	67,207,630	63,442,485	65,792,108
Unrestricted	94,452,370	85,735,080	(16,875,327)	27,989,497	6,976,252	10,225,852	18,815,503	21,943,635	38,063,402	35,713,779
Total governmental activities net position	$ 530,799,841	$ 575,954,678	$ 573,733,251	$ 615,572,488	$ 622,322,200	$ 634,928,446	$ 653,943,019	$ 670,490,596	$ 683,621,267	$ 683,621,267
Business-type activities:										
Net investment in capital assets	$ 394,018	$ 450,152	$ 454,613	$ 530,211	$ 420,441	$ 18,208,602	$ 20,954,950	$ 21,550,115	$ 21,627,793	$ 21,627,793
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(861,503)	388,233	1,351,941	1,819,598	2,793,970	1,102,775	1,325,934	4,461,391	5,187,176	5,187,176
Total governmental activities net position	$ (467,485) (1)	$ 838,385	$ 1,806,554	$ 2,349,809	$ 3,214,411	$ 19,311,377	$ 22,280,884	$ 26,011,506	$ 26,814,969	$ 26,814,969
Primary government:										
Net investment in capital assets	$ 413,440,386	$ 462,616,423	$ 505,895,455	$ 524,071,958	$ 541,572,310	$ 576,581,910	$ 589,004,382	$ 602,889,446	$ 603,743,173	$ 603,743,173
Restricted	23,301,103	28,053,327	85,167,736	64,041,244	74,194,079	66,329,286	67,078,084	67,207,630	63,442,485	65,792,108
Unrestricted	93,590,867	86,123,313	(15,523,386)	29,809,095	9,770,222	11,328,627	20,141,437	26,405,026	43,250,578	40,900,955
Total governmental activities net position	$ 530,332,356	$ 576,793,063	$ 575,539,805	$ 617,922,297	$ 625,536,611	$ 654,239,823	$ 676,223,903	$ 696,502,102	$ 710,436,236	$ 710,436,236

(1) During fiscal year 2007, the Stormwater enterprise fund was created.

HENRY COUNTY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009 (2)	2010 (3)	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	$ 20,696,639	$ 14,447,355	$ 44,743,867	$ 18,298,478	$ 26,348,081	$ 34,975,466	$ 30,586,221	$ 30,746,741	$ 35,372,037	$ 35,372,037
Judicial	12,923,866	14,380,115	15,188,353	15,437,238	15,705,199	15,055,740	15,218,800	15,033,248	16,222,745	16,222,745
Public safety	58,373,932	58,989,615	67,773,063	68,450,538	69,943,800	67,175,789	67,677,868	69,770,025	76,900,896	76,900,896
Public works	22,138,753	21,218,334	22,044,184	22,823,271	20,545,804	12,446,599	12,528,288	18,392,672	13,722,655	13,722,655
Health and welfare	5,281,437	5,608,362	5,921,341	8,665,724	7,780,437	6,147,579	6,465,665	5,173,914	6,578,244	6,578,244
Culture and recreation	8,167,060	16,379,710	8,219,168	5,564,695	6,003,414	7,317,595	7,062,545	6,823,060	12,352,146	12,352,146
Housing and development	6,580,680	6,288,174	4,792,273	8,269,563	5,801,955	5,086,200	8,166,587	11,721,615	10,314,651	10,314,651
Interest on long-term debt	2,430,744	2,819,164	3,664,069	4,904,526	4,123,448	3,260,617	2,469,786	1,543,873	1,380,993	1,380,993
Total governmental activities expenses	136,593,111	140,130,829	172,346,318	152,414,033	156,252,138	151,465,585	150,175,760	159,205,148	172,844,367	172,844,367
Business-type activities:										
Stormwater	1,358,397 (1)	1,681,065	1,899,938	2,041,355	1,835,134	1,848,896	2,053,165	2,683,451	2,636,702	2,636,702
Airport	-	-	-	-	-	774,400	875,056	865,506	776,602	776,602
Total business-type activities expenses	1,358,397	1,681,065	1,899,938	2,041,355	1,835,134	2,623,296	2,928,221	3,548,957	3,413,304	3,413,304
Total primary government expenses	$ 137,951,508	$ 141,811,894	$ 174,246,256	$ 154,455,388	$ 158,087,272	$ 154,088,881	$ 153,103,981	$ 162,754,105	$ 176,257,671	$ 176,257,671
Program revenues										
Governmental activities:										
Charges for services:										
Impact fee collection	$ 2,604,520	$ 2,558,367	$ 252,622	$ 286,181	$ 279,625	$ 305,584	$ 549,740	$ 1,128,877	$ 1,676,513	$ 1,676,513
Other housing and development	3,103,301	2,412,823	974,294	725,722	1,863,436	1,974,847	1,216,861	1,558,752	2,771,518	2,771,518
General government	4,039,879	3,975,520	4,236,884	4,048,418	5,535,436	4,910,433	4,503,567	4,437,315	4,686,304	4,686,304
Judicial	7,729,204	6,795,849	6,818,804	6,666,005	7,462,382	6,825,478	6,921,623	7,714,363	7,594,451	7,594,451
Public safety	8,396,688	9,434,195	9,663,280	11,616,705	7,843,410	7,454,139	9,609,647	11,047,407	10,537,526	10,537,526
Other activities	2,049,214	2,580,881	2,973,978	2,891,873	1,978,748	1,888,117	2,757,687	4,073,266	5,366,879	5,366,879
Operating grants and contributions	2,705,767	3,102,122	3,139,843	11,260,174	4,805,003	6,211,598	10,407,091	13,159,806	8,568,292	8,568,292
Capital grants and contributions	33,028,019	22,904,507	15,414,026	30,076,027	13,660,391	13,491,079	3,968,265	4,881,467	171,120	171,120
Total governmental activities program revenues	63,656,592	53,764,264	43,473,731	67,571,105	43,428,431	43,061,275	39,934,481	48,001,253	41,372,603	41,372,603
Business-type activities:										
Charges for services-Stormwater	2,591,018 (1)	2,912,155	2,855,662	2,942,581	2,996,834	3,006,424	2,988,384	2,983,539	3,319,354	3,319,354
Operating grants and contributions-Stormwater	-	-	-	835	-	-	-	-	85,000	85,000
Capital grants and contributions-Stormwater	-	-	-	22,500	-	-	-	-	-	-
Charges for services-Airport	-	-	-	-	-	758,120	877,974	908,244	783,287	783,287
Capital grants and contributions-Airport	-	-	-	-	-	15,255,658	2,205,618	530,038	47,934	47,934
Total business-type activities program revenues	2,591,018	2,912,155	2,855,662	2,965,916	2,996,834	19,020,202	6,071,976	4,421,821	4,235,575	4,235,575
Total primary government program revenues	$ 66,247,610	$ 56,676,419	$ 46,329,393	$ 70,537,021	$ 46,425,265	$ 62,081,477	$ 46,006,457	$ 52,423,074	$ 45,608,178	$ 45,608,178

(Continued)

HENRY COUNTY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009 (2)	2010 (3)	2011	2012	2013	2014	2015	2016
Net (expense)/revenue:										
Governmental activities	$ (72,936,519)	$ (86,366,565)	$ (128,872,587)	$ (84,842,928)	$ (112,823,707)	$ (108,404,310)	$ (110,241,279)	$ (111,203,895)	$ (131,471,764)	$ (131,471,764)
Business-type activities	1,232,621	1,231,090	955,724	924,561	1,161,700	16,396,906	3,143,755	872,864	822,271	822,271
Total primary government net expense	$ (71,703,898)	$ (85,135,475)	$ (127,916,863)	$ (83,918,367)	$ (111,662,007)	$ (92,007,404)	$ (107,097,524)	$ (110,331,031)	$ (130,649,493)	$ (130,649,493)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 66,845,897	$ 71,761,395	$ 74,489,406	$ 73,046,611	$ 67,065,940	$ 62,637,760	$ 67,973,001	$ 67,371,942	$ 81,982,432	$ 81,982,432
Sales taxes	50,429,593	48,818,574	43,866,344	45,910,913	44,805,989	49,142,578	51,091,371	53,611,106	57,191,007	57,191,007
Other taxes	7,033,518	7,521,592	7,373,018	7,189,779	7,277,498	8,842,283	9,472,356	9,803,331	11,405,368	11,405,368
Unrestricted investment earnings	6,593,296	3,419,841	922,392	150,481	122,805	85,356	79,422	63,944	320,454	320,454
Gain on sale of capital assets	218,233	-	-	-	-	-	-	-	-	-
Transfers	1,768,921	-	-	384,381	301,187	302,579	214,401	(2,854,473)	301,187	301,187
Total governmental activities	132,889,458	131,521,402	126,651,160	126,682,165	119,573,419	121,010,556	128,830,551	127,995,850	151,200,448	151,200,448
Business-type activities:										
Unrestricted investment earnings	68,815	74,780	12,445	3,075	4,089	2,639	2,776	3,285	4,072	4,072
	-	-	-	-	-	-	37,377	-	-	-
Transfers	(1,768,921)	-	-	(384,381)	(301,187)	(302,579)	(214,401)	2,854,473	(301,187)	(301,187)
Total business-type activities	(1,700,106)	74,780	12,445	(381,306)	(297,098)	(299,940)	(174,248)	2,857,758	(297,115)	(297,115)
Total primary government	$ 131,189,352	$ 131,596,182	$ 126,663,605	$ 126,300,859	$ 119,276,321	$ 120,710,616	$ 128,656,303	$ 130,853,608	$ 150,903,333	$ 150,903,333
Change in Net Position										
Governmental activities	$ 59,952,939	$ 45,154,837	$ (2,221,427)	$ 41,839,237	$ 6,749,712	$ 12,606,246	$ 18,589,272	$ 16,791,955	$ 19,728,684	$ 19,728,684
Business-type activities	(467,485)	1,305,870	968,169	543,255	864,602	16,096,966	2,969,507	3,730,622	525,156	525,156
Total primary government	$ 59,485,454	$ 46,460,707	$ (1,253,258)	$ 42,382,492	$ 7,614,314	$ 28,703,212	$ 21,558,779	$ 20,522,577	$ 20,253,840	$ 20,253,840

(1) During fiscal year 2007, the Stormwater enterprise fund was created.
(2) Significant increase in expenditures, Governmental Activities-General Government, for fiscal year 2009 is due to payments to municipalities within the County in accordance with the 2008 Special Purpose Local Option Sales Tax resolution.
(3) Increase in 2010 program revenues was substantially due to the ARRA funding provided for various projects.

HENRY COUNTY, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
General Fund										
Reserved	$ 1,458,960	$ 318,171	$ 431,226	$ 317,909	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	49,509,159	51,458,630	42,407,776	39,243,083	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	374,262	292,008	217,283	280,807	189,707	224,939
Inventories	-	-	-	-	-	-	190,966	230,202	260,205	280,729
Advances to other funds	-	-	-	-	4,071,741	5,287,840	3,155,660	-	-	-
Restricted:										
Capital projects							1,403,537	491,504	597,154	593,000
Public safety purposes	-	-	-	-	20,973	17,808	17,808	17,808	17,808	17,808
Assigned	-	-	-	-	-	-	3,016,357	194,980	5,615,482	5,783,748
Unassigned	-	-	-	-	31,756,420	31,764,728	35,501,521	41,608,532	45,440,368	56,244,935
Total General Fund	$ 50,968,119	$ 51,776,801	$ 42,839,002	$ 39,560,992	$ -	$ 37,362,384	$ 43,503,132	$ 42,823,833	$ 52,120,724	$ 63,145,159
All Other Governmental Funds										
Reserved	$ 1,939,741	$ 4,643,661	$ 1,742,086	$ 1,659,116	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	5,366,870	6,217,414	7,893,812	11,026,010	-	-	-	-	-	-
Debt service funds	13,424,334	9,828,838	486,479	17,447,416	-	-	-	-	-	-
Capital projects funds	51,781,191	42,468,337	91,988,543	69,144,471	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	75,600	37,800	-
Restricted:										
Capital projects	-	-	-	-	47,575,333	36,067,022	33,671,548	35,445,110	73,422,136	63,512,294
Housing and development	-	-	-	-	-	-	497,567	515,012	561,771	669,264
Federal and State grants	-	-	-	-	2,085,169	2,262,425	2,101,730	961,843	1,156,552	399,718
Citizen welfare	-	-	-	-	1,285,148	1,230,591	1,177,312	599,576	949,656	798,169
Law enforcement purposes	-	-	-	-	5,541,681	5,872,055	4,851,228	4,290,367	3,353,658	2,621,118
Public safety purposes	-	-	-	-	5,896,612	4,264,629	4,851,291	5,765,945	6,682,787	7,598,487
Debt service	-	-	-	-	18,318,820	18,632,934	18,876,436	19,120,465	4,383,409	4,381,000
Intergovernmental	-	-	-	-	-	-	-	-	-	14,798,767
Unassigned:										
Special revenue funds	-	-	-	-	-	-	(43,261)	(317,597)	(255,754)	(497,114)
Capital projects funds	-	-	-	-	(2,762,763)	(4,910,973)	-	-	-	-
Total all other governmental funds	$ 72,512,136	$ 63,158,250	$ 102,110,920	$ 99,277,013	$ -	$ 63,418,683	$ 65,983,851	$ 66,456,321	$ 90,292,015	$ 94,281,703

(1) Beginning July 1, 2010, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

HENRY COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	$ 123,903,182	$ 127,190,451	$ 124,012,176	$ 127,223,623	$ 120,367,567	$ 120,875,692	$ 129,960,585	$ 129,946,751	$ 141,518,030	$ 150,678,742
Licenses and permits	5,896,773	5,089,302	1,779,532	1,514,676	1,746,290	1,782,488	2,478,957	3,342,798	4,035,859	5,076,445
Intergovernmental	7,760,021 (1)	3,599,103	6,699,402	23,150,424 (6)	11,128,485	15,527,987	12,270,254	11,905,814	13,067,370	8,730,112
Charges for services	14,306,328	15,674,689	16,486,172	17,267,981	13,248,419	14,337,943	16,157,841	17,300,085	17,742,126	18,041,262
Fines and forfeitures	6,857,554	5,978,865	5,897,161	6,655,157	8,969,504	6,323,064	5,338,546	6,334,417	5,826,167	6,085,039
Administrative fees	-	-	-	-	-	-	-	-	-	-
Investment income	6,593,296	3,419,841	922,392	328,794 (7)	208,600	114,916	103,533	80,754	122,674	431,345
Contributions	80,310	165,752	125,886	62,356	65,416	218,557	176,882	169,162	55,561	19,227
Miscellaneous	2,576,636	1,494,457	2,353,065	2,177,306	1,906,379	1,847,551	1,981,956	3,923,290	4,072,809	3,677,113
Total revenues	$ 167,974,100	$ 162,612,460	$ 158,275,786	$ 178,380,317	$ 157,640,660	$ 161,028,198	$ 168,468,554	$ 173,003,071	$ 186,440,596	$ 192,739,285
Expenditures										
General government	$ 14,977,682	$ 14,971,533	$ 15,980,259	$ 14,958,074	$ 15,051,731	$ 14,284,302	$ 14,396,316	$ 15,346,942	$ 16,141,411	$ 17,872,200
Judicial	11,896,368	13,596,684	14,999,832	15,257,216	15,007,861	14,497,032	14,729,088	14,723,977	15,116,597	15,867,789
Public safety	51,858,394	60,154,954	64,700,470	66,683,701	63,053,313	61,873,370	61,683,411	66,892,442	70,829,859	71,553,175
Public works	11,660,781	12,187,702	11,648,255	11,939,937	8,081,124	7,573,243	7,236,563	11,888,381	10,747,741	10,348,783
Health and welfare	5,243,091	5,738,124	6,077,107	6,005,433	5,731,958	5,659,113	5,899,710	4,880,925	4,882,143	5,251,452
Culture and recreation	5,438,759	7,092,371	7,947,472	7,113,640	6,538,889	5,522,185	5,172,911	5,439,156	5,861,528	6,244,639
Housing and development	6,372,346	6,224,038	4,915,781	8,333,524	5,652,700	4,992,210	8,085,404	11,720,659	14,276,338	10,193,473
Intergovernmental	-	1,812,307	25,896,678 (3)	2,523,364	2,412,181	2,951,666	3,264,382	2,354,873	6,297,008	7,812,021
Capital outlay	73,201,545	76,417,535	31,337,084	41,606,362	39,907,052	30,750,262	12,886,361	11,110,932	17,468,408	23,821,687
Debt service:										
Principal retirement	15,319,413	16,165,673	31,772,244 (4)	5,647,610	21,881,414	23,073,807	23,870,927	23,492,183	23,016,736	7,178,756
Interest and fiscal charges	2,891,292	3,281,711	3,283,190	4,850,133	4,921,323	4,109,729	3,317,296	2,543,420	2,088,994	1,991,406
Issuance costs	-	131,701	757,501	-					391,757	143,059
Total expenditures	198,859,671	217,774,333	219,315,873	184,918,994	188,239,546	175,286,919	160,542,369	170,393,890	187,118,520	178,278,440
Excess (deficiency) of revenues over (under) expenditures	(30,885,571)	(55,161,873)	(61,040,087)	(6,538,677)	(30,598,886)	(14,258,721)	7,926,185	2,609,181	(677,924)	14,460,845

(Continued)

HENRY COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Capital leases	$ 7,445,411	$ 39,279,119	$ -	$ -	$ 5,559,590	$ 569,151	$ -	$ -	$ -	$ -
Issuance of bonds	-	7,235,000 (2)	87,240,000 (5)	-	-	-	-	-	29,630,000 (8)	9,645,000
Premium on bonds	-	-	3,753,281	-	-	-	-	-	3,785,757	707,285
Payments to escrow agent	-	-	-	-	-	-	-	-	-	(10,203,708)
Transfers in	37,181,044	37,869,909	31,651,693	32,149,630	33,096,106	33,109,231	38,694,400	28,336,995	7,618,766	12,533,308
Transfers out	(35,270,645)	(37,869,909)	(31,651,693)	(31,765,249)	(32,794,919)	(32,806,652)	(38,479,999)	(31,191,468)	(7,317,766)	(12,232,121)
Proceeds from sale of capital assets	273,880	102,550	61,677	42,379	63,500	4,662	142,615	38,463	93,752	103,514
Total other financing sources (uses)	9,629,690	46,616,669	91,054,958	426,760	5,924,277	876,392	357,016	(2,816,010)	33,810,509	553,278
Net change in fund balances	$ (21,255,881)	$ (8,545,204)	$ 30,014,871	$ (6,111,917)	$ (24,674,609)	$ (13,382,329)	$ 8,283,201	$ (206,829)	$ 33,132,585	$ 15,014,123
Debt service as a percentage of noncapital expenditures	13.4%	14.0%	18.7%	7.6%	17.5%	18.3%	20.3%	16.3%	15.0%	6.0%

(1) The County received approximately $4.7 million in reimbursement from the Georgia Department of Transportation for the paving of two roads.
(2) The County issued $7.235 million in general obligation bonds in 2008.
(3) Amounts represent payments to municipalities within the County in accordance with the 2008 Special Purpose Local Option Sales Tax resolution. Also includes proceeds from bonds issued on behalf of the municipalities.
(4) The County retired the $7.235 million in general obligation bonds issued in 2008, along with normal debt service requirements.
(5) The County issued $87.24 million in general obligation bonds in 2009.
(6) Revenues increased in 2010 substantially due to increased ARRA funding for various projects.
(7) Interest earned on SPLOST funds are reported as program income-capital grants and contributions- beginning in 2010.
(8) The County issued $29.63 million in general obligation bonds in fiscal year 2015.

HENRY COUNTY, GEORGIA

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

Fiscal Year Ended June 30,	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other (1)					
2007	4,500,677,025	1,848,100,687	428,347,920	13,425,953	1,156,212,229	5,634,339,356	11.20	14,085,848,390	40%
2008	4,949,730,447	2,053,935,438	474,676,980	13,876,885	1,279,630,190	6,212,589,560	11.20	15,531,473,900	40%
2009	5,139,260,358	2,452,100,370	504,161,380	8,800,752	1,343,128,210	6,761,194,650	10.97	16,902,986,625	40%
2010	5,100,209,854	2,444,597,311	521,749,210	10,237,167	1,355,121,921	6,721,671,621	10.97	16,804,179,053	40%
2011	4,148,277,699	2,295,735,115	450,888,710	10,241,711	1,195,578,627	5,709,564,608	11.75	14,273,911,520	40%
2012	3,761,782,236	2,289,954,941	458,020,740	9,796,885	1,257,127,218	5,262,427,584	11.75	13,156,068,960	40%
2013	3,022,034,746	2,386,381,854	478,457,190	8,195,509	1,254,042,188	4,641,027,111	14.50	11,602,567,778	40%
2014	3,034,741,148	2,426,561,125	495,286,040	8,991,946	1,250,359,481	4,715,220,778	14.50	11,788,051,945	40%
2015	3,571,245,625	2,538,835,322	407,309,750	8,692,776	1,308,650,163	5,217,433,310	14.30	13,043,583,275	40%
2016	3,983,559,997	2,685,707,573	305,971,820	8,775,263	1,329,555,852	5,654,458,801	13.87	14,136,147,003	40%

Source: Henry County Tax Commissioner

(1) Includes Heavy Equipment, Mobile Homes, and Timber.

STATISTICAL SECTION

This part of Henry 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.

Contents ..... **Page**

Financial Trends ..... **153 - 158**
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity ..... **159 - 162**
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity ..... **163 - 165**
These schedules present 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.

Demographic and Economic Information ..... **166 and 167**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information ..... **168 - 170**
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 County provides and the activities it performs.

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 government-wide information include information beginning in that year.

HENRY COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $1,000 of assessed value)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Henry County rates										
Maintenance & Operations										
Unincorporated	14.13	14.37	13.89	13.71	14.89	18.52	18.71	18.39	17.65	16.45
Insurance Reduction (1)	-	-	-	-	-	-	-	-	-	-
Municipal rates										
McDonough (2)	2.51	2.45	2.59	2.59	3.45	4.39	4.39	4.38	4.92	4.56
Stockbridge	-	-	-	-	-	-	-	-	-	-
Hampton	-	-	-	-	-	-	-	-	-	-
Locust Grove	-	-	-	-	-	-	-	-	-	-
LOST Reduction	(2.93)	(3.17)	(2.92)	(2.92)	(3.14)	(4.02)	(4.21)	(4.09)	(3.78)	(3.71)
Protection	-	-	-	-	1.72	1.91	1.94	1.92	1.79	1.89
Fire Protection	1.21	1.16	1.22	1.22	1.15	1.02	0.68	0.60	0.57	0.56
Planning and Development	-	-	-	-	0.23	0.14	0.10	0.02	0.01	0.02
Water Authority	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Hospital Authority	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Board of Education										
Maintenance & Operations	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Debt Service	3.06	3.06	3.06	3.06	3.06	3.63	3.63	3.63	3.63	3.63
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	-
Total Unincorporated	37.51	37.51	37.28	37.28	38.06	40.33	40.28	40.03	39.55	38.36
Total Municipalities (3), (4)										
McDonough	37.48	37.58	38.14	38.14	38.42	41.65	41.58	41.32	42.10	40.45
Stockbridge	37.47	37.51	37.02	37.02	38.06	40.33	40.28	40.03	39.55	38.36
Hampton	36.23	36.29	36.17	36.17	36.35	38.34	38.29	38.04	37.76	36.48
Locust Grove	35.69	36.29	35.87	35.87	36.11	38.28	38.08	37.83	37.75	36.46
Total Direct Tax Rate	11.20	11.20	10.97	10.97	11.75	14.50	14.50	14.30	13.87	12.73

Source: Henry County Tax Commissioner

(1) Insurance reduction is applied only to unincorporated rates.

(2) Fire protection included in City of McDonough rate.

(3) Beginning in 2000, all cities except Stockbridge received a reduction for police services.

(4) Beginning in 2006, the cities of McDonough and Hampton received a reduction for planning and development services.

HENRY COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2016			2007		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Henry County Develop Auth (1)	$ 40,813,482.00	1	0.72 %	$		- %
Georgia Power	37,089,739.00	2	0.66	23,895,038	3	0.42
Atlanta Motor Speedway	36,632,600.00	3	0.65	20,315,970	5	0.36
Directv, LLC	27,570,080.00	4	0.49		-	-
Home Depot USA, Inc. (1)	23,853,474.00	5	0.42	22,095,437	4	0.39
US Industrial REIT II (1)	21,000,000.00	6	0.37		-	-
Norfolk Southern Combined	22,714,464.00	7	0.40			-
Kens Foods, Inc. (1)	29,461,920.00	8	0.52	19,931,537	6	0.35
Trees of Avalon, LLC	18,261,313.00	9	0.32		-	-
Inland Western McDonough	18,457,584.00	10	0.33	18,864,440	7	0.33
Cardinal Health 103, Inc.	-	-	-	31,432,409	1	0.56
Istar Financial, Inc.	-	-	-	13,587,200	10	0.24
BellSouth Telecom	-	-	-	24,957,567	2	0.44
Prologis-MacQuarie US LLC	-	-	-	14,674,040	8	0.26
Henry County Land Holdings, LLC	-	-	-	13,922,520	9	0.25
Totals	$ 275,854,656		4.88 %	$ 203,676,158		3.61 %

The fiscal year 2016 total taxable assessed value is: 5,654,458,801
The fiscal year 2007 total taxable assessed value is: 5,634,339,356

Source: Henry County Tax Commissioner

(1) Receives Freeport Exemption
Note: Several taxpayers pay varying millage rates which can account for higher assessed value, but less tax.

HENRY COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	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 Levy		Amount	Percentage of Levy
2007	189,356,554	183,717,413	97.0	4,286,214	188,003,627	99.3
2008	209,079,707	198,038,407	94.7	5,750,090	203,788,497	97.5
2009	224,099,576	211,348,395	94.3	9,633,458	220,981,853	98.6
2010	232,661,093	220,510,188	94.8	12,162,480	232,672,668	100.0
2011	205,764,434	193,893,667	94.2	11,764,074	205,657,741	99.9
2012	190,525,178	181,582,275	95.3	8,481,108	190,063,383	99.8
2013	171,146,444	165,774,289	96.9	5,372,155	171,146,444	100.0
2014	172,499,793	167,977,729	97.4	4,084,658	172,062,387	99.7
2015	193,276,894	188,413,250	97.5	3,376,296	191,789,546	99.2
2016	212,123,295	208,089,985	98.1	3,294,368	211,384,353	99.7

Source: Henry County Tax Commissioner

HENRY COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt: General Obligation Bonds	Percentage of Actual Property Value (1)	Per Capita (2)	Other Governmental Activities Debt: Revenue Bonds	Other Governmental Activities Debt: Capital Lease Obligations	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2007	$ 17,496,586	0.12 %	$ 119	-	$ 42,866,616	$ 60,363,202	1.07 %	$ 410
2008	15,838,342	0.10	83	-	74,488,914	90,327,256	1.54	474
2009	90,814,551 (3)	0.54	471	-	58,362,818	149,177,369	2.56	774
2010	90,099,640	0.54	463	-	52,715,208	142,814,848	2.36	735
2011	73,629,729	0.52	354	-	52,148,384	125,778,113	2.00	605
2012	55,959,818	0.43	267	-	46,598,728	102,558,546	1.57	490
2013	37,599,907	0.32	178	-	40,372,801	77,972,708	1.14	369
2014	18,695,000	0.16	87	12,186,000 (4)	22,882,032	53,763,032	0.82	251
2015	33,118,399 (5)	0.25	151	12,186,000	18,560,296	63,864,695	0.88	292
2016	29,096,063	0.21	130	11,750,088	14,537,452	55,383,603	0.77	248

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

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

(3) The County issued $87.24 million of general obligation bonds in 2009.

(4) The County implemented GASB 61 requiring the inclusion of the Development Authority as a blended component unit.

(5) The County issued $29.63 million of general obligation bonds in fiscal year 2015.

HENRY 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	Total	of Estimated Actual Taxable Value of Property (2)	Bonded Debt Per Capita (3)
2007	$ 17,496,586	$ -	$ 17,496,586	0.12%	119
2008	15,838,342	-	15,838,342	0.10%	83
2009	90,814,551	-	90,814,551	0.54%	471
2010	90,099,640	17,447,416	72,652,224	0.43%	374
2011	73,629,729	18,318,820	55,310,909	0.39%	266
2012	55,959,818	18,632,934	37,326,884	0.28%	178
2013	37,599,907	18,876,436	18,723,471	0.16%	89
2014	18,695,000	18,695,000	-	0.00%	-
2015	33,118,399	4,383,409	28,734,990	0.22%	131
2016	29,096,063	4,381,000	24,715,063	0.17%	111

NOTE:
Details regarding Henry 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 Assessed Value and Estimated Actual Value of Taxable Property for property value data.
(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

HENRY COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	$ 563,433,936	$ 621,258,956	$ 676,119,465	$ 672,167,162	$ 570,956,461	$ 526,242,758	$ 464,102,711	$ 471,522,078	$ 521,743,331	$ 565,445,880
Total net debt applicable to limit	17,496,586	15,838,342	90,814,551	90,099,640	73,629,729	55,959,818	37,599,907	18,695,000	33,118,399	29,096,063
Legal debt margin	$ 545,937,350	$ 605,420,614	$ 585,304,914	$ 582,067,522	$ 497,326,732	$ 470,282,940	$ 426,502,804	$ 452,827,078	$ 488,624,932	$ 536,349,817
Total net debt applicable to the limit as a percentage of debt limit	3.11%	2.55%	13.43%	13.40%	12.90%	10.63%	8.10%	3.96%	6.35%	5.15%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	$ 5,654,458,801
Debt limit (10% of assessed value)	565,445,880
Debt applicable to limit:	
General obligation bonds	29,096,063
Less: Amount set aside for repayment of General obligation debt	-
Total net debt applicable to limit	29,096,063
Legal debt margin	$ 536,349,817

NOTE: Under state finance law, the County's outstanding general obligation debt should not exceed 10 percent 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.

HENRY COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2007	147,144	5,615,564	29,754	33.4	38,969	4.4 %
2008	190,700	5,859,183	30,100	33.4	38,421	5.9
2009	192,800	5,821,827	29,126	33.4	40,370	10.1
2010	194,400	6,054,490	28,804	33.4	40,791	10.0
2011	207,800	6,296,670	30,143	31.0	40,951	10.9
2012	209,500	6,548,536	31,509	35.3	40,290	9.5
2013	211,300	6,810,478	32,578	35.3	40,440	8.1
2014	214,500	6,596,125	31,242	35.6	41,000	7.5
2015	218,700	7,224,263	33,779	36.5	41,000	6.1
2016	223,600	7,224,263	33,779	36.0	42,000	5.1

(1) Source: Bureau of Economic Analysis: Regional Data, Atlanta Regional Commission 2008-2016
(2) Source: Bureau of Economic Analysis
(3) Source: Bureau of Economic Analysis
(4) Source: Henry County Board of Education
(5) Source: Georgia Department of Labor

NOTE: 2011 and 2012 per capita and personal income are estimates based on past regional trends.

HENRY COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2016			2007		
Taxpayer	**Employees (1)**	**Rank**	**Percentage of Total County Employment (2)**	**Employees (1)**	**Rank**	**Percentage of Total County Employment (2)**
Henry County Board of Education	4950	1	4.54 %	5,000	1	5.57 %
Henry County Board of Commissioners	1615	2	1.48	1,466	3	1.63
Piedmont Henry	1449	3	1.33	1,500	2	1.67
WalMart Supercenter	1339	4	1.23	1,175	4	1.31
PVH	813	5	0.75	-	-	-
Federal Aviation Administration	800	6	0.73	725	5	0.81
Luxottica Retail Group	650	7	0.60	-	-	-
Georgia Power Company	544	8	0.50	505	7	0.56
TSYS	403	9	0.37	-	-	-
Home Depot DFC #6777	400	10	0.37	-	-	-
Southern States, Inc	-	-	-	275	10	0.31
Kens Food	-	-	-	-	-	-
Suntrust Bank	-	-	-	536	6	0.60
Snapper	-	-	-	445	9	0.50
Toys R Us	-	-	-	454	8	0.51
Totals	12,963		11.90 %	12,081		13.47 %

(1) Source: Henry County Development Authority

(2) Source: U.S. Bureau of Labor Statistics, Georgia Department of Labor, workforce - 108,941 (October 2016)

HENRY COUNTY, GEORGIA

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

	Full-time Equivalent Employees as of June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
General Government	598	582	576	639	615	591	411	541	440	436
Public Safety										
Police & Sheriff										
Officers	262	256	302	368	296	281	328	270	402	424
Civilians	57	54	53	53	53	57	53	49	53	51
Corrections	122	153	160	157	163	162	162	163	163	163
Fire										
Firefighters	267	300	264	265	260	242	270	268	267	273
Civilians	12	9	27	27	27	27	12	12	11	10
Highways and streets										
Engineering	21	24	24	19	19	16	15	15	12	16
Maintenance	83	90	84	80	74	66	68	75	86	84
Social services	-	78	100	101	73	82	62	93	101	95
Culture and recreation	44	56	71	66	50	58	36	72	73	63
Total	1,466	1,602	1,661	1,775	1,630	1,582	1,417	1,558	1,608	1,615

Source: Department of Community Affairs Annual Survey of Government Employment for March of each year.

HENRY COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

	Calendar Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Police										
Physical arrest	6,482	7,119	6,715	6,652	6,498	5,556	5,986	5,947	5,541	5,688
Parking violations	19	16	83	20	58	44	31	46	122	45
Traffic violations	67,728	70,045	65,394	66,061	65,105	50,492	71,254	67,553	58,560	51,233
Fire										
Calls answered	18,065	18,471	19,240	20,245	21,581	23,902	22,497	22,364	23,518	25,082
Inspections	3,827	6,698	8,431	11,856	8,382	7,335	6,731	5,678	6,502	5,178
Highways and streets										
Street resurfacing	30	27	56	56	65	40	34	20	12	19
Culture and recreation										
Athletic field permits issued	48,896	105,184	121,576	125,544	151,826	193,575	193,698	207,634	40,272	39,054
Community center admissions	45,198	74,656	79,143	79,876	59,473	58,518	42,803	42,677	105,124	196,370

NOTE: Indicators are not available for the general government function.
NOTE: Departments maintain statistical information on a calendar-year basis.

Sources: Various County Departments.

HENRY COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Police										
Stations	4	4	4	5	5	4	3	3	3	3
Patrol Units	288	282	310	230	196	196	314	310	311	311
Patrol Zones	20	20	20	20	20	20	20	20	20	20
Fire Stations	13	13	13	13	13	13	13	13	13	13
Public Works										
Streets (miles)	1,172	1,195	1,221	1,230	1,236	1,238	1,237	1,238	1,238	1,239
Traffic Signals	24	24	27	30	32	32	35	35	35	37
Culture and Recreation										
Park Acreage	1,162.9	1,162.9	1,258.2	1,268.7	1,271	1,271	1,271	1,271	1,271	1,283
Playgrounds	22	33	33	33	33	33	33	33	33	33
Baseball/Softball Diamonds	67	74	74	74	73	73	73	73	73	73
Soccer/Football Fields	24	27	27	us	33	33	33	33	33	33
Community Centers	6	9	9	10	10	10	10	10	10	10

NOTE: No capital asset indicators are available for the general government function.

NOTE: Street miles only includes County maintained roads.

Source: Various County Departments.

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