NEWTON COUNTY, GEORGIA

Annual Financial Report

For the Fiscal Year Ended
June 30, 2012

Signature Community
Creating a Climate for Success

Prepared by Authority of
Newton County Board of Commissioners
Newton County, Georgia
John Middleton, Administrative Services

NEWTON COUNTY, GEORGIA

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Financial Statements
For the Fiscal Year Ended June 30, 2012

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INTRODUCTORY SECTION

NEWTON COUNTY, GEORGIA
Principal Officials

Board of Commissioners
2012

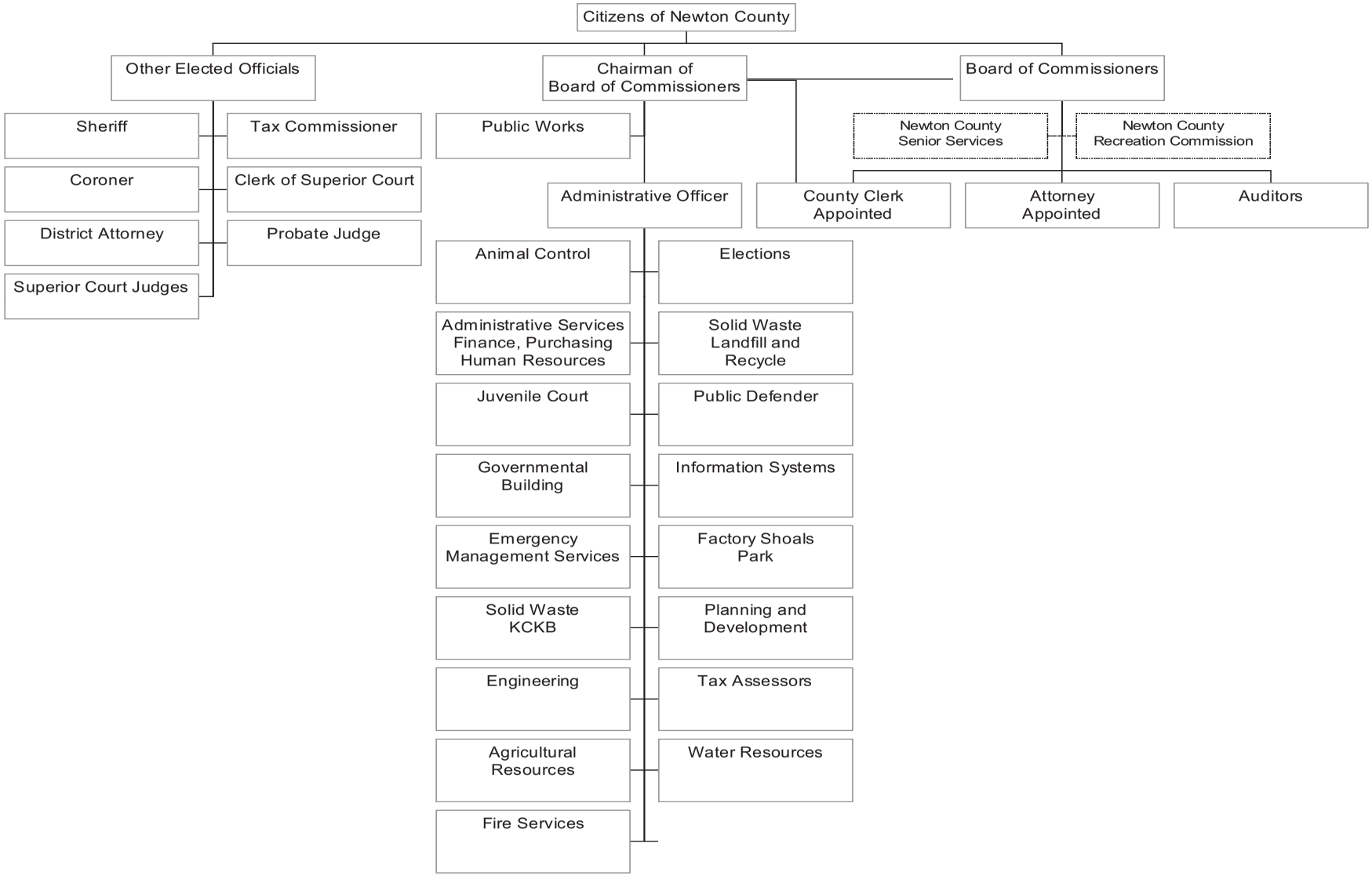
Kathryn Morgan	Chairman
T.M. "Mort" Ewing	Commissioner District 1
Lanier Sims	Commissioner District 2
Nancy Schulz	Commissioner District 3
J.C. Henderson	Commissioner District 4
Tim Fleming	Commissioner District 5

John Middleton, Administrative Officer
Tommy Craig, County Attorney
Jackie Smith, County Clerk

Other Elected Officials

Superior Court Judge	John M. Ott
Superior Court Judge	Samuel D. Ozburn
Superior Court Judge	Horace J. Johnson, Jr.
Superior Court Judge	Eugene M. Benton
Superior Court Judge	Ken Wynne
District Attorney	Layla Zon
Chief Magistrate Judge	Henry Baker
Chief Probate Judge	Henry Baker
Clerk of Superior Court	Linda Hays
Coroner	Tommy Davis
Sheriff	Ezell Brown
Tax Commissioner	Barbara Dingler

NEWTON COUNTY, GEORGIA
Organization Chart



FINANCIAL SECTION

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

1031 Park Drive, Suite #1
Watkinsville, GA 30677

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Newton County, Georgia

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 Newton County, Georgia as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newton County Health Department, the Newton County Water and Sewer Authority, or the Newton County Library System, which collectively represent 97.53% and 85.05%, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Newton County Health Department, the Newton County Water and Sewer Authority, and the Newton County Library System, is based on the report 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the 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 for Newton County, Georgia as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2013 on our consideration of Newton County's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Retirement Plan - Schedule of Funding Progress on pages III through XIV and page 46 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Newton County, Georgia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the Schedule of Expenditures of Federal Awards, and the Schedule of Projects Constructed with Special Sales Tax Proceeds and the Schedule of State Contractual Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds and the Schedule of State Contractual Assistance is presented for purposes of additional analysis as required by Georgia law, and is also not a required part of the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

Treadwell, Tamplin & Company, CPA's

Madison, Georgia
June 27, 2013

NEWTON COUNTY, GEORGIA
Management's Discussion and Analysis
For the Year Ended June 30, 2012

Management's Discussion and Analysis of Newton County provides a narrative review and explanation of the Government's financial activities for the fiscal year that ended June 30, 2012. The analysis provides summary financial information for Newton County as a whole and should be read in conjunction with the Government's financial statements to fully understand Newton County's performance. We encourage readers to consider the information presented here in conjunction with the Financial Statements and accompanying Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

Government-Wide

- At the close of the FY2012 fiscal year, Newton County's reported assets exceeded liabilities by $285.10 million. (Net assets).
- Total revenues for governmental funds & business activities were $72.35 million. Program revenue accounted for $19.8 million, while general revenue amounted to $52.5 million.
- Outstanding Debt associated with Governmental activities was reduced by 22%, from $27.6 million the prior year to $21.6 million at the close of FY2012. Debt reduction continues to be a major initiative of the BOC given the current economic environment. Reduction in general obligation debt frees up financial resources that can be utilized for service delivery. The current legal debt limit for the county is $217 million. Total outstanding long term debt for both governmental and business activities is $56.5 million, a reduction from prior year of $6.5 million. Additional details regarding this is provided in the Capital Assets and Debt Administration section and in the Notes to Financial Statements.
- Actual General Fund expenditures were over budget by $828thousand in FY2012. Newton County has continued with the budget balancing initiatives begun in 2008 including staff & benefit reductions and departmental restructuring.
- SPLOST 2011 collections began in FY2012. Actual sales tax collections of $10.8 million for this capital improvement program exceeded budgeted expectations by $1.2 million
- Newton County maintains an "Aa2" credit rating for general obligation debt from Moody's.

Fund Level Financials

- The General Fund fund balance increased by $2.0 million to $8,489,444, as Newton County closed FY2012 with a governmental fund balance of $ 41.9 million. Corrective action was taken in FY2011 to restore an adequate fund balance ratio, and offset any further use for augmenting day to day operations. A Fund Balance Policy was developed, unanimously approved, and adopted by the BOC during FY2011. Detailed discussion of the Fund Balance is provided in the General Fund Budgetary Highlights.
- The 2005 SPLOST Fund closed the year with a fund balance of $13.6 million. The 2011 SPLOST Fund Balance has further detailed information on the SPLOST Program in the Financial Analysis discussion of Governmental Funds.
- Business-type activities generated operating revenues of $10 million for FY2012. This consisted of $ 8 million from Newton County Water Resources, $2.0 million from Solid Waste Management and $19 thousand from Special Facilities. Total expenses for the same period were $ 6.5 million for Water Resources, $3.2 million for Solid Waste, and $ 45 thousand for Special Facilities. Solid Waste operations also receive an annual appropriation from the General Fund to offset the shortfall between revenue and expenses. Income earned from MSW Landfill operations are used to subsidize a portion of the Recycle Centers operating expenses as well. Special facilities utilized a portion of their fund balance for capital improvements during FY2012.

Using This Annual Report

The Management Discussion and Analysis serves as an introduction to Newton County Government's financial statements, which includes both government-wide and fund statements, as well as notes in the financial statements. The Statement of Net Assets and the Statement of Activities provide information about Newton County as a government and present a long-term outlook of the County's finances. Fund financial statements also report the County's operation in more detail than the government-wide statements. The remaining financial statements provide information about activities for which the County acts solely as a trustee or agent.

Government-Wide Financial Statements

Government-wide financial statements provide an overview of the financial position of Newton County. They include a Statement of Net Assets and a Statement of Activities. Emphasis is placed on the net assets of governmental and business-type activities as well as the change in net assets. Property taxes, sales taxes, other taxes, grant funding, fines, fees, and charges for services primarily support governmental activities. In contrast, user fees primarily support business-type activities.

In the Statement of Net Assets and the Statement of Activities, Newton County's activities are divided into two types:

Governmental activities reported in the statements include the following core functions: General Government, Judicial, Public Safety, Public Works, Health and Welfare, Culture and Recreation, and Housing and Development.

Business-type activities of Newton County include the following: Water Resources, Solid Waste Management, and Special Facilities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Newton County uses fund accounting to ensure and demonstrate compliance with legal requirements. The fund financial statements provide detailed information about the most significant funds. Newton County, however, establishes many other funds to help control and manage financial activities for particular purposes, such as Capital Projects Funds. All funds of Newton County government can be divided into four categories: governmental, proprietary, internal service funds, and fiduciary funds.

Governmental Funds

The primary revenue sources for these funds are property taxes, sales taxes, fines, regulatory fees, other miscellaneous fees, and investment income. The county has four governmental fund types: General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Proprietary Funds

The revenue sources for these business-type governmental enterprises are received from the sale of products and services. Funds in this category are Water Resources, Solid Waste, and Special Facilities.

Internal Service Fund

This fund accounts for the Newton County the self-insured workers' compensation programs. The workers' compensation program is administered through the Association of County Commissioners of Georgia (ACCG). The revenue sources for these funds are made through transfers from the General Fund.

Fiduciary Funds

In this fund Newton County serves as trustee or agent for other governmental entities, individuals, and other funds. The county is responsible for ensuring that these assets are used only for the specific intended use. Fiduciary Funds are as follows:

Tax Commissioner's Office
Sheriff's Office
Clerk of Superior Court
Probate Court
Magistrate Court
Juvenile Court

Component Units

The Newton County Water and Sewerage Authority, Newton County Library, Newton County Recreation Commission, Newton County Industrial Development Authority, Newton County Health Department, and Newton County Senior Services are classified as component units due to their unique relationship to the local governing authority. Financial statements provided by component units reflect their most recent available audited statements.

Governmental-Wide Financials Analysis

Net Assets

Newton County's governmental combined net assets declined in FY2012 to $276.2 million as compared to $287.6 million prior year. This is related to the decline in property tax revenues, due to lower valuations and foreclosure activity. Chart Below focuses on the net assets (Exhibit A) and changes in net assets (Exhibit B) of Governmental and Business-type activities.

Statement of Net Assets

(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and Other Assets	$ 54,709	$ 55,141	$ 11,814	$ 11,447	$ 66,523	$ 66,588
Capital Assets	221,505	232,445	65,922	65,714	287,427	298,159
Total Assets	276,214	287,586	77,736	77,161	353,950	364,747
Liabilities:						
Long-Term Debt	21,473	27,631	39,691	40,738	61,164	68,369
Other Liabilities	6,480	6,835	1,199	1,189	7,679	8,024
Total Liabilities	27,953	34,466	40,890	41,927	68,843	76,393
Net Assets:						
Invested in Capital Assets Net of related Debt	211,951	229,430	30,640	28,509	242,591	257,939
Restricted	28,039	24,611	2,801	2,509	30,840	27,120
Unrestricted	8,270	(921)	3,375	4,215	11,645	3,294
Total Net Assets	$ 248,260	$ 253,120	$ 36,816	$ 35,234	$ 285,076	$ 288,353

Net assets of Newton County's governmental activities declined slightly in fiscal year 2012 ($248.3 million versus $253.1 million in FY2011). Unrestricted net assets, the portion of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or legal requirements, showed a significant improvement ($8.3 million for FY2012 rather than the ($920,756) recorded for governmental activities at the close of business June 30, 2011.

The net assets of business-type activities also improved by $1.6 million, primarily due to the reduction of Long Term Debt, and closed FY2012 at $36.8 million. Net assets of business type activities, however, cannot be used to pay for governmental activities.

Changes in Net Assets (In thousands)

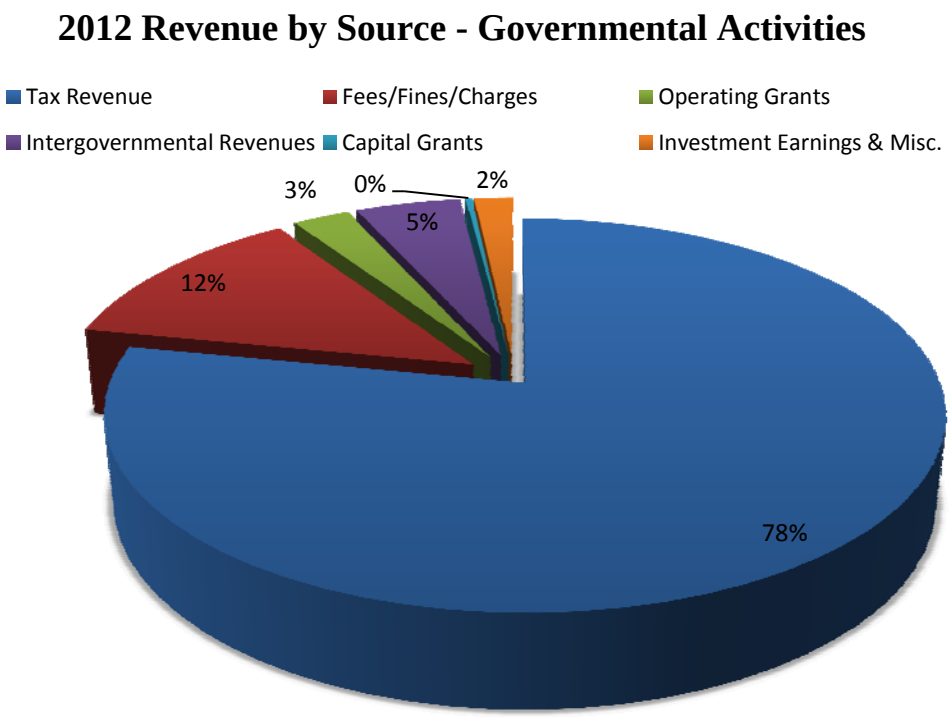
	Governmental Activities		Business-Type Activities		Total Change in Net Assets	
	2011	2012	2011	2012	2011	2012
Revenue						
Program Revenue:						
Charges for Services	$ 8,147	$ 8,003	$ 9,194	$ 10,014	$ 17,341	$ 18,017
Operating Grants	2,197	1,646	-	-	2,197	1,646
Capital Grants	255	175	-	-	255	175
General Revenue:						
Property Tax	28,579	26,221	-	-	28,579	26,221
Sales Tax	16,511	18,507	-	-	16,511	18,507
Franchise & Business taxes	3,434	4,655	-	-	3,434	4,655
Other Tax	376	374	-	-	376	374
Intergovernmental Revenue	937	1,103	-	-	937	1,103
Investment Earning	78	45	322	386	400	431
Joint Venture equity	74	22	-	-	74	22
Miscellaneous	298	1,008	-	-	298	1,008
Gain(loss) and other	16	19	13	192	29	211
Total Revenue	**60,902**	**61,778**	**9,529**	**10,592**	**70,431**	**72,370**
Program Expenditures/Expenses						
Governmental - Expenditures						
General Government	7,176	7,036	-	-	7,176	7,036
Judicial	4,810	5,037	-	-	4,810	5,037
Public Safety	29,001	29,647	-	-	29,001	29,647
Public Works	15,208	17,989	-	-	15,208	17,989
Health and Welfare	942	857	-	-	942	857
Culture and Recreation	4,793	3,345	-	-	4,793	3,345
Housing and Development	1,559	1,215	-	-	1,559	1,215
Interest and fiscal charges	1,007	761	-	-	1,007	761
Business-Type - Expenses						
Water	-	-	6,323	6,488	6,323	6,488
Special Facilities	-	-	62	45	62	45
Solid Waste	-	-	3,352	3,228	3,352	3,228
Total Expenses	**64,496**	**65,887**	**9,737**	**9,761**	**74,233**	**75,648**
Increase in Net Assets Before Transfers	**(3,594)**	**(4,107)**	**(206)**	**831**	**(3,800)**	**(3,276)**
Transfers	(553)	(750)	553	750	-	-
Increase in Net Assets Before Transfers	**(4,147)**	**(4,857)**	**347**	**1,581**	**(3,800)**	**(3,276)**
Beginning Net Assets	257,267	253,119	34,888	35,234	292,155	288,353
Ending Net Assets	**$ 253,119**	**$ 248,261**	**$ 35,234**	**$ 36,814**	**$ 288,354**	**$ 285,076**

Newton County's total revenue was $72.4 million for FY2012. The total cost of all programs and services for this same period was $75.6 million, before transfers. The analysis above separately considers the operations of governmental and business-type activities.

Governmental Activities

Newton County reported $61.8 million of governmental revenues in FY2012. This represents an increase of $876,000 from the prior year, primarily due to an increase in the Insurance Premium Tax collections of $1.3 million and use of a $1.4 million Tax Anticipation Note to buffer operating capital. The Tax digest continued to decline due to foreclosures. Tax collections now make up a greater "slice of the pie" because of these factors. General Revenues are made up of tax related revenues such as property tax, insurance premium taxes, sales taxes, business taxes, etc... Within the category of Capital Grants and Contributions, donations of subdivision roads are included. While this source once made up 8 to 10 % of our total revenue sources, it has declined significantly due to the lack of subdivision development and new housing starts.

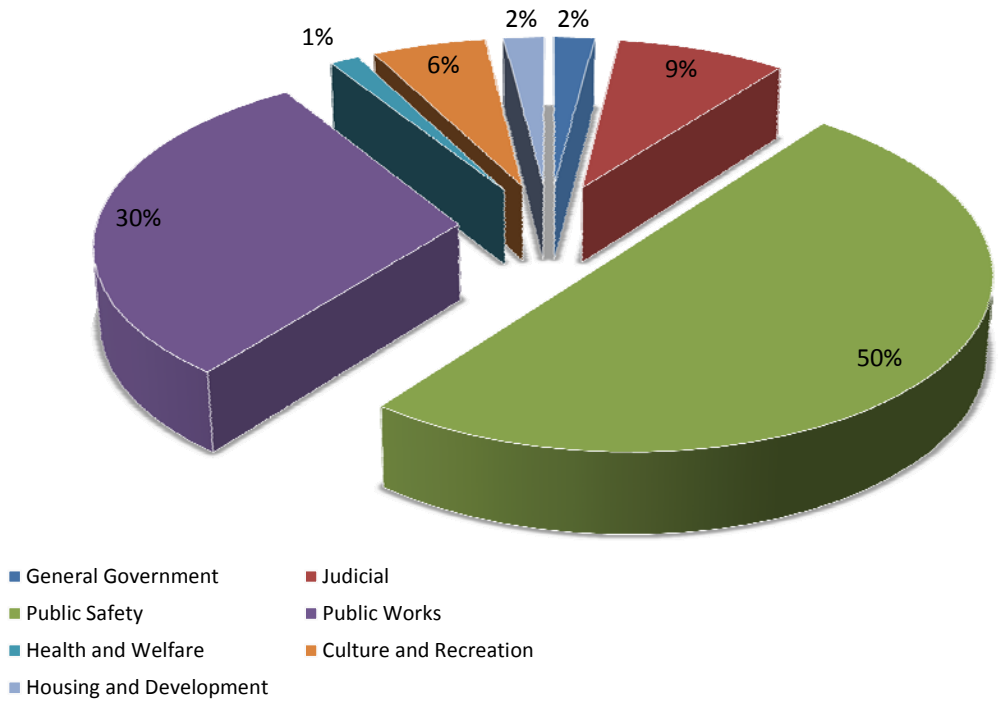
Other revenues are generated through various collections, which can be identified in the following major classes: general revenues, fees, fines, charges for services, operating grants, and capital grants. Newton County's revenues consisted of tax collections (78%), fees, fines & charges for services (12%), operating grants and contributions (3%), intergovernmental revenues (5%), capital grants, contributions, and investment earnings make up the remainder of sources that comprise 100% of Newton County's revenue sources.



Program/Services Expenses

Expenses for Program or services related to governmental activities totaled $65.9 million. Expenses incurred for Public Safety, which includes the Sheriff's Department, Detention Center, Fire Services, E-911, and Animal Control, made up (50%) along with Public Works (30%), Judicial (9%), Culture and Recreation (6%), Housing and Development (2 %), and Health Welfare (1%) all of which made up 98% of the total governmental expenses. General Government and interest expense accounted for the remaining 2% as noted in the chart below.

2012 Program/Services Expenses - Governmental Activities by Function

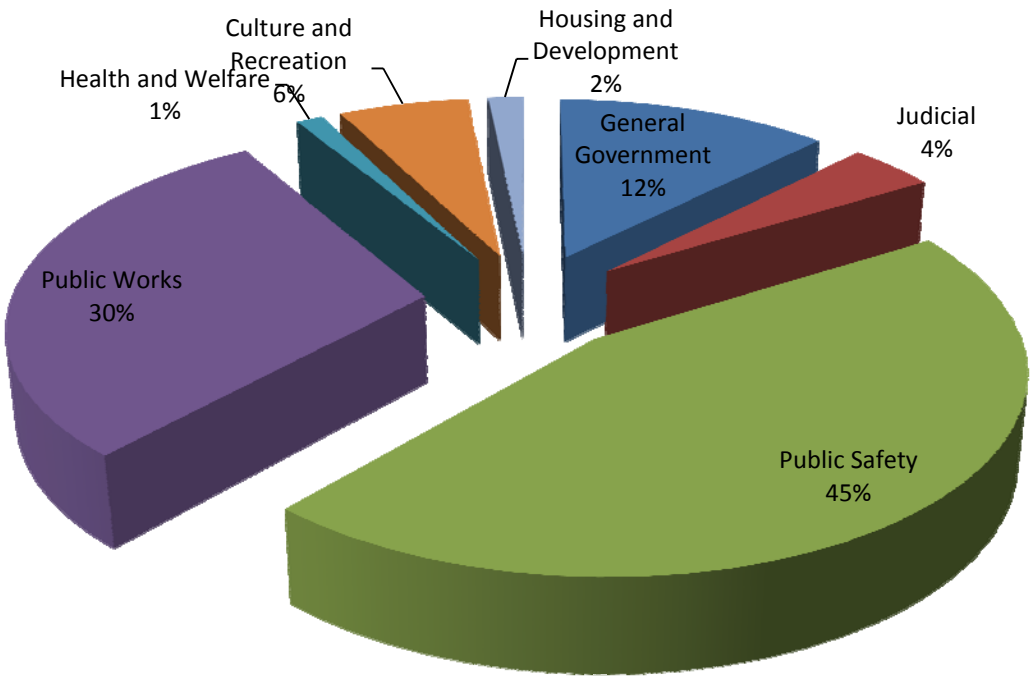


Total cost of programs/services represents the investment made by Newton County to provide the program/service delivery to our citizens. Net cost of these services identifies the difference between the cost of services and programs and the revenue collected (such as fees, fines, and charges for services, operating grants and contributions, and capital grants and contributions) that is specifically associated with the service or program provided.

Total Cost and Net Cost of Governmental Activities by Function

	Total Cost of Services 2011	Total Cost of Services 2012	Net Cost of Services 2011	Net Cost of Services 2012
General Government	$ 8,183,243	$ 7,797,829	$ 7,057,996	$ 6,526,001
Judicial	4,810,228	5,037,480	1,602,413	2,196,650
Public Safety	29,000,715	29,646,199	24,912,335	25,530,233
Public Works	15,207,675	17,989,182	14,151,811	16,866,531
Health and Welfare	941,975	856,581	774,315	698,490
Culture and Recreation	4,792,433	3,344,946	4,509,165	3,329,781
Housing and Development	1,558,620	1,214,808	887,816	915,860
	$ 64,494,889	$ 65,887,025	$ 53,895,851	$ 56,063,546

2012 Net Program/Services Costs – Governmental Activities by Function



Business-type Activities

Business-type activities showed an overall increase in net assets of $1.6 million in FY2012. Business Type Activities are comprised of: Water Resources, Solid Waste, and Gaither's Plantation.

Newton County is a "wholesale water" producer and is the sole provider of water to the other public water systems within the county. Newton County maintains intergovernmental agreements for the sale of water to the five local municipalities and the Newton County Water & Sewerage Authority. The county also provides "out of county" water sales to Walton County, Jasper County, and Alcovy Shores (a private water system). Newton County currently operates two water treatment facilities and is in the final stages of acquiring land for the purpose of constructing an additional reservoir and water treatment plant.

The Water Fund accounts for "wholesale" water which was sold to the previously detailed water retailers. Total revenue is reported at $8 million with operating expenses at $5 million, resulting in operating income of $3 million for FY2012. Net income produced by the Cornish Creek Water Fund will be used for future debt service and for the replacement and expansion of the County's drinking water production system. Expansion of the Cornish Creek Water Treatment Plant was completed in September of 2010. This has increased water production capacity from 15 MGD to 24 MGD.

Series 2004 Water Revenue Bonds were issued for the water expansion and improvements in FY2005. Detail of debt is described in the outstanding debt section. See Note 6 in the Financial Section for further details.

The County also offers limited recreation opportunities (fishing and picnicking) at Lake Varner Reservoir, with revenue from parking fees paid by non-county residents. Reservoir Management oversees these facilities and activities, as well as, the reservoir buffer and enforcement of the Reservoir Management Plan. As noted previously, the Water Fund offsets additional operating expenses for this fund. Lake Varner is rated as one of the Top Fishing Spots in the State of Georgia.

The Solid Waste Fund operates a central landfill and 11 recycling centers that are located throughout the county. The Recycling Centers serve as transfer stations, with solid waste and recyclables being transported to the landfill for processing. The Recycling Centers are operated free of charge to residents of Newton County. The operating expenses for these centers are funded by Operating Income from the landfill and additional appropriations from the General Fund, which is transferred into the Solid Waste Fund. Revenue collected from the county-wide recycling

program was $244,622 in FY2012. Newton County MSW landfill opened a new cell in May of 2011 which is expected to provide 4 to 5 year's capacity. The construction area (C&D) also has approximately 12 months before using up the permitted area. Growth in the county will determine the exact time of using the Phase II permitted areas. The state issued permits are for 25 years.

The County also reports operations of Gaither's Plantation as a separate fund. Gaither's Plantation is a special event facility of a historical nature that generates operating and capital revenues from rental fees, program events, donations, interest income, and an annual appropriation from the general fund. A significant portion of the $ 19,403 in operating revenues is the result of rental fees came from television and movie productions during the past year.

Newton County's Financial Analysis

Governmental Funds

The reporting of Governmental Funds for FY2012 provides useful information on balances of financial resources. The governmental fund types are comprised of: the General Fund, Various Special Revenue Funds, Capital Projects Fund (which consist of SPLOST Funds, Impact Fee Fund, and Capital Improvement Fund) and a Debt Service Fund.

As of June 30, 2012, Newton County Governmental Funds reported a combined fund balance of $41.9 million, which is a slight increase from the prior year's total of $41.3 million. The General Fund reported a fund balance increase of $.6 million. Other Governmental Funds reported a net change of ($800,638) primarily related to expenditures for Public Safety and Capital improvements.

The 2005 SPLOST Fund closed the year with a fund balance of $13.6 million. Several road and bridge projects, along with municipal projects were completed during the past year. Most SPLOST 2005 Projects have been completed or are in final phases of completion.

SPLOST 2011 collected revenues of $10.9 million, closing with a fund balance of $5.3 million.

Proprietary Funds

Newton County's Proprietary Fund statements provide the same type of information found in the government-wide financial statements but in more detail. Total operating income of $1.8 million was earned on revenues of $10.0 million. Other factors affecting the financial position of the Proprietary Fund are addressed in the discussion of Newton County's business-type activities.

General Fund Budgetary Highlights

The General Fund is the primary source of funding for the day-to-day governmental operations of Newton County. Our financial policy requires a balanced budget; thus, the Board of Commissioners annually determines and sets the approved level of expenditures for each department. While FY2012 continued to present challenges for Newton County due to the present national, state, and local economic climate, the county was able to provide uncompromised service delivery and continued to improve our financial condition.

As noted, Newton County continued budget balancing initiatives in FY2012. These management actions are required to offset the erosion of revenue due to projected shortfalls in tax collections and development fees due by reducing expenditures and staffing. Further reductions in staffing were achieved by not filling open positions that resulted from normal attrition and retirements. County employees continue to take unpaid holidays in lieu of furlough days. Public Safety and mandated core services required of local government as the funding priority. Expenditures of each department are carefully monitored and reviewed monthly. Actual expenditures, as shown below for FY2012 were $42.4 million. Property Tax Reform enacted by the Georgia General Assembly continues to have a negative impact on the tax base which provides a significant portion of the local government operating revenue.

Net Change in the General Funds FUND BALANCE showed an increase to $8.4 million, an improvement of $2.0 million from the prior year.

Expenditure Source for Fiscal Year 2012

Expenditure Source		Amount	Percent of Total
General Government	$	5,575,244	13%
Judicial		4,449,818	11%
Public Safety		23,481,155	55%
Public Works		4,192,441	10%
Health and Welfare		718,936	2%
Culture and Recreation		2,806,595	7%
Housing and Development		1,146,247	3%
	$	42,370,436	100%

Newton County has continued to improve upon operating efficiencies and also modified spending authority levels, purchasing policy, and strengthened internal management controls to better manage the dynamics of the current economic situation.

Special Revenue Funds

The county uses special revenue funds to account for the collection and disbursement of revenues that are legally restricted and may be expended only for specific purposes. Funds included in this classification are Fire Fund, Real Estate Grant Fund, DARE Fund, Juvenile Trust Fund, Forfeited and Seized Funds, County Industrial Park Fund, Jail Fund, District Attorney, Law Library Fund, E-911, Inmate Welfare, Multiple Grant Fund, and NSP Grant.

Special Revenue Funds' revenue totaled $4.1 million for FY2012 with expenditures totaling $4.5 million. The total Fund Balance for Special Revenue Funds closed FY2012 with $5.8 million. This resulted in a minimal decrease in Fund Balance of $315,929 over the prior year.

Capital Improvement Project Funds

SPLOST 2005

The $58.8 million 2005 SPLOST program collected $61.7 million during the six year collection period. In accordance with the referendum, the excess collections will be utilized to pay debt service on the County Administration Building. Collections began in July of 2005 to fund $25.7 million in bonded projects and $33.1 million in non-bonded projects. The projects include: Roads ($20.0 million), Mechanic Shop ($2.0 million), Landfill ($3.7 million), Civic Center ($5 million), Newton County Office Complex ($5 million), 800 Radio System and Data Communications ($7.6 million), Detention PODS ($3.6 million), Community Building District 4 ($500 thousand), Judicial Parking ($265 thousand), Old Historical Jail ($500 thousand), Greenspace Land Acquisition ($1 million), and Cousin's Center Gym – Recreation ($500 thousand). The Municipalities' SPLOST Funded projects include: City of Covington transportation projects ($3.7 million), City of Porterdale Transportation, Train Depot, and Gym ($910 thousand), City of Newborn transportation ($166 thousand), City of Mansfield transportation ($125 thousand), and the City of Oxford Maintenance Facility, City Hall Annex, Fire Station Renovation and Water System improvements ($605 thousand).

During the Fiscal Year ending June 30, 2012, SPLOST expenditures were $6.3 million, primarily in debt service and interest. The Newton County Office Complex and Parking Deck, Landfill, Greenspace Acquisition, Mechanic Shop, the initial phases of the 800 MHz Public Safety Radio System and Data Communication, Nelson Heights Community Center, and various Road & Bridge projects have been completed.

Construction work was completed on Phase 1 of the Historic Jail and the Cousins Gym renovation. Additional enhancements to the Public Safety Communication System are underway. There are $5 million in various COUNTY Road and Bridge projects yet to be completed. The planning process and evaluation of additional funding sources continues for the proposed Civic Center project.

SPLOST 2011
In March of 2011 the voters of Newton County renewed the Special Purpose Local Option Sales Tax of 1%. Projects included on this $57.6 million referendum include; Reduction of County Debt, Transportation Projects, Fleet and Heavy Equipment Replacement, Agricultural Center and Emergency Services facility improvements at Newton Medical Center. Recreation & Community Center Projects include a workforce development center and construction of a Miracle League Baseball Complex for disabled children. Various municipal projects are also planned, including expansion of the Covington Airport. As with the 2005 SPLOST, this referendum provides for excess collections above the $57.6 million to be utilized for debt reduction.

During FY2012, The County broke ground on the $1.5 million Miracle League Baseball Field Complex, purchased 37 Public Safety Vehicles, and began the planning process for the Judicial Center Expansion. SPLOST Revenue collections of $10.9 million in FY2012 are ahead of budget projections. Total Expenditures were $6,768,745 for the same period.

Impact Fee. An Impact Fee Ordinance, meeting the requirements of the Georgia Development Impact Fee Act (O.C.G.A 3671-1), was adopted February 1, 2005. Effective March 16, 2005, this ordinance provided for impact fees to be assessed against new residential and commercial construction in unincorporated Newton County, with collections to be used for maintenance of existing service levels of public services such as libraries, recreation, public safety, and transportation. Expenditures of Impact Fees were delayed due to litigation with the Newton County Home Builders Association, though collections were allowed to continue. In December 2007, Newton County Board of Commissioners prevailed as the court ruled in favor of the County.

In FY2012, Impact Fee collections were minimal with $45,710 in revenues and total expenditures of $519,650. Expenditures are attributed to debt service related to the construction of the Porter Branch Library. This branch library is located in the Oak Hill area of Newton County. In recent years, this area of the county had experienced significant residential growth and is greatly in need of additional public services. Impact Fee Fund Balance at the close of FY2012 was $4.1 million.

Capital Assets and Debt Administration

Capital Assets
Newton County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to $749.1 million (before accumulated depreciation). The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. These assets include land, building improvements, equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the county such as roads, bridges, streets, sidewalks, drainage systems, and other similar items in accordance with GASB 34. The table below provides a summary of capital assets. Additional information on capital assets can be found in the notes in the financial statements of this report.

Capital Assets for Fiscal Year 2012
(Net of Depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total Capital Assets	
	2011	2012	2011	2012	2011	2012
Land	$ 67,898	$ 67,898	$ 11,020	$ 11,020	$ 78,918	$ 78,918
CIP	6,910	1,057	16,754	17,430	23,664	18,487
Land Improvements	-	-	10,388	10,851	10,388	10,851
Building & Improvements	81,967	82,045	28,559	28,528	110,526	110,573
Water Distributions System	-	-	8,838	8,838	8,838	8,838
Equipment	19,914	27,938	7,409	8,028	27,323	35,966
Infrastructure	494,500	494,500	-	-	494,500	494,500
Less:						
Accumulated Depreciation	(438,744)	(451,933)	(17,254)	(18,774)	(455,998)	(470,707)
Total	$ 232,445	$ 221,505	$ 65,714	$ 65,921	$ 298,159	$ 287,426

Long-Term Debt

As of June 30, 2012, Newton County had a net of $56.5 million in total outstanding long-term debt, including compensated absences. Governmental activities long-term debt of $21.6 million is primarily attributed to the SPLOST capital projects, 2003 COPS Issue of $5.0 million for Detention Center Pods, 2006 COPS issued for the Newton County Office Complex with a parking deck of $12.3 million, and the Four County - Joint Development Authority, and the 2008 Library bonds of $3.5 million. In business activities, a Series 2004 Water Revenue Bond was issued with a par value of $37.5 million during the fiscal year of 2005. Construction of a new Landfill Cell (Phase III) and associated wetlands mitigation project is being financed through a GEFA loan and the wetlands mitigation is expected to be completed during FY2012. Below is a summary table of long-term debt compared to prior year. For further information on the County's debt, refer to the notes in the financial statements of this report.

Outstanding Debt for Fiscal Year 2012

(In thousands)

	Governmental Activities		Business-Type Activities		Total Outstanding Debt	
	2011	2012	2011	2012	2011	2012
General Obligation Bonds	$ 5,475	$ -	$ -	$ -	$ 5,475	$ -
COPS & Notes Payable	14,806	13,186	-	-	14,806	13,186
GEFA Notes Payable	760	639	3,681	3,989	4,441	4,628
Revenue bonds and Notes	2,570	2,090	32,405	30,510	34,975	32,600
Four County Joint Industrial Development Authority	2,234	2,075	-	-	2,234	2,075
Capital Lease Obligation	272	1,557	89	434	361	1,991
Compensated Absences	1,511	2,073	-	-	1,511	2,073
Total	$ 27,628	$ 21,620	$ 36,175	$ 34,933	$ 63,803	$ 56,553

Economic Factors

This year Baxter International announced it would build a new state of the art manufacturing plant in the Stanton Springs Technology Park, a four county economic development initiative. The plant will produce products related to their plasma based treatments, including immune disorders & trauma, among other critical conditions. The Covington, Georgia site is expected to exceed over $1 Billion in investment by Baxter and create more than 1500 full time positions in Georgia. Construction began this spring, and is expected to be completed in 2018.

In a press release, Baxter noted that "The Covington site was selected for a number of reasons, including the fact that it is a Greenfield site well suited to the operations and allowing space for potential future growth, proximity to plasma collection centers in the United States, and local resources including the availability of water, utilities, international transportation and a strong pool of potential employees. Georgia's workforce development program (Quick Start) is unique and represents a key advantage for attracting, training, and retaining work force."

The State of Georgia will also be constructing a $14 million state owned Bio-Manufacturing Training Facility at Stanton Springs to support this growing segment of the medical supply industry. This is a great opportunity for economic growth and development in the region and should impact further job creation opportunities through suppliers and other similar ventures.

The decline in residential real estate valuations and impact on Newton County continue to be an area of concern as it is in many communities. This trend is reflected in the County Tax Digest which has eroded by another 10 % from the prior year. Additional pressure affecting the stability of the property tax base is due to Property Tax Reform initiatives by the state legislature. This is compounded with a corresponding decline in governmental revenues linked to both development and consumer spending, such as sales tax, construction & building permits, and impact fee collections.

As a result, we are anticipating a further decline in revenues in the short term before property values stabilize. In view of the reduced values on the tax digest, projections developed for our FY2012 Budget showed a reduction of revenues in property taxes and permit fees. Sales Tax collections have been very strong during the past year. This is the result of several new retail shopping opportunities that kept shopping dollars at home in Newton county, rather than spending in adjoining counties. The county will continue to prioritize available revenues and other funding sources to adequately provide delivery of the mandated, core services of government to our citizens.

In response to these economic pressures, our local governments, the Industrial Development Authority, and the Chamber of Commerce have jointly developed a Strategic Plan for Economic Development. This plan is designed to coordinate and provide the framework to attract new industry, along with incentives for maintaining existing businesses and industries. Also, the Joint Development Authority, a four-county regional technology park, Stanton Springs, provides a platform for future growth of business and industry to the region and is being actively marketed by this economic collaborative.

While the community saw significant and sustained deflation in the housing sector, the industrial base remained strong. Our Economic Development team has focused on retention of existing industry as well, assisting with both their current operations and expansion needs, the Office of Economic Development has taken an active role in Business and Workforce Development and a renewed focus on industrial development. This is a collaborative effort between The Newton County BOC, The Newton County Industrial Development Authority, The City of Covington, and The Covington/Newton County Chamber of Commerce.

Newton County has enjoyed triple digit growth since 1990 (139.6%). But much of that growth has translated to Newton being a suburban bedroom community to the Atlanta metro area with commuters that leave Newton for work. At the same time, Newton County has a significant number of its workforce engaged in manufacturing (22%) which is higher than the Nation and the State of Georgia. The addition of Baxter International's presence in our community should be helpful in offsetting the "bedroom" community effect.

Newton County is a community that has always stepped up to make things happen and that culture and history will serve to enhance Newton's ability to attract and retain business. Newton County is continuing to invest in its future by enhancing the product, including education, economic development promotion through a sustainable funding source, an improvement of its tourism assets, and the need to provide a pro-business business climate to entrepreneurs and businesses of all sizes.

Requests for Information

This report was prepared by the Administrative Services staff of the Newton County Board of Commissioners and is designed to provide a summary overview of Newton County's finances for those interested. Questions concerning any of the information provided or requests for additional information should be addressed to:

Administrative Officer
Newton County Board of Commissioners
1124 Clark Street
Covington, Georgia 30014

Basic Financial Statements

NEWTON COUNTY, GEORGIA
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash	$ 34,689,880	$ 7,704,216	$ 42,394,096	$ 4,670,919
Investments	86,460	-	86,460	54,694
Accounts receivable, net	794,605	896,109	1,690,714	2,422,830
Taxes receivable, net	1,315,296	-	1,315,296	-
Internal balances-due from	580,407	(580,407)	-	-
Due from other governments	2,619,657	376,532	2,996,189	-
Prepaid expenses and inventories	531,619	83,658	615,277	19,979
Net pension benefit	21,264	-	21,264	-
Deferred charges	401,766	532,945	934,711	-
Noncurrent restricted assets - Cash	1,196,241	2,800,817	3,997,058	-
Noncurrent restricted assets - Investments	7,211,531	-	7,211,531	9,051,988
Capital assets not being depreciated	68,955,030	28,450,970	97,406,000	-
Capital assets, net of accumulated depreciation	152,550,125	37,470,896	190,021,021	106,803,045
Other assets	5,260,441	-	5,260,441	235,845
Total assets	276,214,322	77,735,736	353,950,058	123,259,300
LIABILITIES				
Bank overdraft	-	-	-	-
Accounts payable	2,167,165	475,865	2,643,030	1,163,008
Due to other governments	3,321,815	-	3,321,815	112,406
Accrued interest payable	43,441	-	43,441	-
Accrued expenses	947,814	717,931	1,665,745	90,810
Unearned revenue	-	-	-	9,070
Deposits from customers	-	5,150	5,150	698,458
Long-term liabilities (Note 6):				
Portion due or payable within one year:				
Bonds and notes payable	1,735,305	2,106,479	3,841,784	1,990,052
Capital leases	551,352	106,066	657,418	-
Compensated absences	200,000	-	200,000	-
Landfill closure/postclosure	-	74,031	74,031	-
Portion due or payable after one year:				
Bonds and notes payable	16,254,161	32,392,381	48,646,542	12,812,852
Plus/less related premium/discount	21,587	935,338	956,925	-
Deferred loss on advanced refunding	(167,867)	(554,958)	(722,825)	-
Capital leases	1,005,986	327,476	1,333,462	-
Compensated absences	1,872,536	-	1,872,536	-
Landfill closure/postclosure	-	4,335,099	4,335,099	-
Total liabilities	27,953,295	40,920,858	68,874,153	16,876,656
NET ASSETS				
Invested in capital assets, net of related debt	211,951,488	30,639,514	242,591,002	92,189,117
Restricted for:				
Debt service	2,398,188	2,800,817	5,199,005	-
Capital projects (restricted by enabling legislation)	19,804,857	-	19,804,857	-
Special revenue (restricted by enabling legislation)	5,836,424	-	5,836,424	-
Unrestricted	8,270,070	3,374,547	11,644,617	14,193,527
Total net assets	$ 248,261,027	$ 36,814,878	$ 285,075,905	$ 106,382,644

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

NEWTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Activities:	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total	Component Units
Governmental:								
General government	$ 7,036,466	$ 1,224,333	$ 18,033	$ 29,462	$ (5,764,638)		$ (5,764,638)	
Judicial	5,037,480	2,390,522	450,308	-	(2,196,650)		(2,196,650)	
Public safety	29,646,199	3,128,360	926,314	61,292	(25,530,233)		(25,530,233)	
Public works	17,989,182	1,046,194	-	76,457	(16,866,531)		(16,866,531)	
Health and welfare	856,581	-	158,091	-	(698,490)		(698,490)	
Culture and recreation	3,344,946	7,756	-	7,409	(3,329,781)		(3,329,781)	
Housing and development	1,214,808	206,127	92,821	-	(915,860)		(915,860)	
Interest and fiscal charges	761,363	-	-	-	(761,363)		(761,363)	
Total governmental activities	65,887,025	8,003,292	1,645,567	174,620	(56,063,546)		(56,063,546)	
Business-type:								
Water	6,487,529	8,024,855	-	-		$ 1,537,326	1,537,326	
Special Facilities	44,708	19,403	-	-		(25,305)	(25,305)	
Landfill	3,227,776	1,969,990	-	-		(1,257,786)	(1,257,786)	
Total business-type activities	9,760,013	10,014,248	-	-		254,235	254,235	
Component units:								
Newton County Water & Sewerage Authority	12,610,355	13,933,533	-	677,390				$ 2,000,568
Newton County Senior Services, Inc.	679,702	385,596	231,491	-				(62,615)
Newton County Library System	2,073,942	156,613	306,453	91,760				(1,519,116)
Newton County Health Department	1,874,831	873,267	1,024,496	-				22,932
Newton County Industrial Development Authority	544,895	-	350,000	-				(194,895)
Newton County Recreation Commission	2,397,283	447,811	32,000	-				(1,917,472)
Total component units	20,181,008	15,796,820	1,944,440	769,150				(1,670,598)

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

NEWTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Activities:	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Total	Component Units
General revenues:								
Taxes								
Property taxes, levied for general purposes					26,221,203	-	26,221,203	-
Sales tax					18,506,632	-	18,506,632	-
Franchise and business taxes					4,655,317	-	4,655,317	-
Other taxes					374,493	-	374,493	-
Intergovernmental revenues unrestricted					1,102,877	-	1,102,877	2,720,766
Investment earnings					44,911	384,528	429,439	37,443
Joint venture equity					21,703	-	21,703	-
Miscellaneous					1,008,317	-	1,008,317	51,981
Gain on disposal of capital assets					19,454	192,473	211,927	-
Transfers					(750,000)	750,000	-	-
Total general revenues and transfers					51,204,907	1,327,001	52,531,908	2,810,190
Change in net assets					(4,858,639)	1,581,236	(3,277,403)	1,139,592
Net assets - beginning					253,119,666	35,233,642	288,353,308	105,243,052
Net assets - ending					$ 248,261,027	$ 36,814,878	$ 285,075,905	$ 106,382,644

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

NEWTON COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	2005 SPLOST Fund	2011 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 10,282,621	$ 10,998,831	$ 5,079,174	$ 9,538,101	$ 35,898,727
Investments	-	5,455,584	-	1,755,947	7,211,531
Taxes receivable, net	1,255,922	-	-	59,374	1,315,296
Due from other funds	762,152	55,221	-	3,636,893	4,454,266
Due from other governments	991,779	-	912,797	716,460	2,621,036
Due from others	132,748	46,805	-	614,982	794,535
Inventory	198,059	-	-	8,333	206,392
Prepaid items	154,067	-	-	107,351	261,418
Total assets	$ 13,777,348	$ 16,556,441	$ 5,991,971	$ 16,437,441	$ 52,763,201
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 739,195	$ 15,537	$ 372,381	$ 845,615	$ 1,972,728
Due to other funds	3,116,567	-	284,845	470,091	3,871,503
Due to other governments	-	2,968,350	499	356,590	3,325,439
Due to others	-	-	-	164,932	164,932
Accrued expenditures	931,538	-	-	-	931,538
Deferred revenue	500,604	-	-	11,958	512,562
Total liabilities	5,287,904	2,983,887	657,725	1,849,186	10,778,702
Fund balances:					
Nonspendable:					
Prepaid items and inventory	352,126	-	-	167,959	520,085
Restricted:					
General Government	-	-	-	105,500	105,500
Judicial	-	-	-	351,884	351,884
Public Safety	-	-	-	5,253,364	5,253,364
Public Works	-	-	-	(43,710)	(43,710)
Culture & recreation	-	-	-	11,990	11,990
Heatlh & welfare	-	-	-	(10,561)	(10,561)
Debt Service	-	-	-	2,398,188	2,398,188
Capital projects	-	13,572,554	5,334,246	6,353,641	25,260,441
Assigned	175,000	-	-	-	175,000
Unassigned	7,962,318	-	-	-	7,962,318
Total fund balances	8,489,444	13,572,554	5,334,246	14,588,255	41,984,499
Total liabilities and fund balan	$ 13,777,348	$ 16,556,441	$ 5,991,971	$ 16,437,441	$ 52,763,201

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

NEWTON COUNTY, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2012

Total *fund* balances for governmental funds (Exhibit C)		$ 41,984,499
Total *net assets* reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	$ 67,898,396	
Construction in progress	1,056,634	
Infrastructure	494,500,367	
Buildings and improvements	81,967,314	
Equipment, furniture and vehicles	28,015,705	
Less: Accumulated depreciation	(451,933,261)	
Total capital assets		221,505,155
Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.		512,562
Internal services funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.		91,421
Other assets - Investment in Joint Venture - are not financial resources and therefore are not reported in the funds.		5,260,441
Pension assets as a result of excess contributions		21,264
Other liabilities - Accrued interest - are not reported in the funds		(43,021)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at June 30, 2012 are:		
Bonds and notes payable	(17,989,466)	
Capital leases	(1,557,338)	
Compensated absences	(2,072,536)	
Deferred charges	401,766	
Unamortized discount and premium	(21,587)	
Unamortized deferred gain/loss on refunding	167,867	
Total long-term liabilities		(21,071,294)
Total net assets of governmental activities (Exhibit A)		$ 248,261,027

NEWTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General Fund	2005 SPLOST Fund	2011 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 38,171,340	$ -	$ 10,850,655	$ 2,822,376	$ 51,844,371
Licenses and permits	265,405	-	-	-	265,405
Intergovernmental revenue	1,197,106	-	-	1,688,988	2,886,094
Charges for services	4,672,347	-	-	36,515	4,708,862
Fines and forfeitures	1,220,224	-	-	504,124	1,724,348
Investment income	22,696	29,732	2,336	21,107	75,871
Contributions and donations	2,803	-	-	-	2,803
Miscellaneous	604,116	0	-	101,324	705,440
Total revenues	46,156,037	29,732	10,852,991	5,174,434	62,213,194
EXPENDITURES					
Current:					
General government	5,575,244	-	-	19,052	5,594,296
Judicial	4,449,818	-	-	457,802	4,907,620
Public safety	23,481,155	-	-	3,755,622	27,236,777
Public works	4,192,441	-	-	10,370	4,202,811
Health and welfare	718,936	-	-	158,091	877,027
Culture and recreation	2,806,595	-	-	6,772	2,813,367
Housing and development	1,146,247	-	-	52,260	1,198,507
Intergovernmental	-	-	1,905,375	-	1,905,375
Debt service:					
Principal payments	1,400,000	5,475,000	237,988	2,066,378	9,179,366
Interest and fiscal charges	18,339	123,625	18,621	606,652	767,237
Capital outlay	-	669,986	2,669,235	1,919,984	5,259,205
Total expenditures	43,788,775	6,268,611	4,831,219	9,052,983	63,941,588
Excess (deficiency) of revenues over (under) expenditures	2,367,262	(6,238,879)	6,021,772	(3,878,549)	(1,728,394)
OTHER FINANCING SOURCES (USES)					
Capital lease financing	1,400,000	319,934	1,250,000	-	2,969,934
Issuance of debt	-	-	-	3,425,000	3,425,000
Payment to refunding escrow agent	-	-	-	(3,429,914)	(3,429,914)
Sale of capital assets	19,454	-	-	-	19,454
Transfers in	136,283	-	-	3,118,195	3,254,478
Transfers (out)	(1,895,300)	-	(1,937,526)	(35,370)	(3,868,196)
Total other financing sources (u	(339,563)	319,934	(687,526)	3,077,911	2,370,756
Net change in fund balances	2,027,699	(5,918,945)	5,334,246	(800,638)	642,362
Fund balances - beginning	6,461,745	19,491,499	-	15,388,893	41,342,137
Fund balances - ending	$ 8,489,444	$ 13,572,554	$ 5,334,246	$ 14,588,255	$ 41,984,499

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

NEWTON COUNTY, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds in the Statement of Net Activities
For the Fiscal Year Ended June 30, 2012

Net change in *fund* balances - total governmental funds (Exhibit E)	$	642,362
The change in *net assets* reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($13,188,349) exceeded capital outlays ($2,248,955) in the current period.		(10,939,394)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt issued		(3,425,000)
Premium, discounts and issuance costs		-
Repayments		11,410,223
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability.		(1,569,934)
Capital lease payments are reported as expenditures in the governmental funds, but reduce the liability in the statement of net assets.		284,275
An internal service fund is used by management to charge the costs of workers' compensation insurance to individual funds. The internal service fund is reported as a proprietary fund, but the results of operations are reported as governmental activities.		(350,484)
Governmental funds defer all tax revenues not collected within 60 days of year end. However, the statement of activities uses the accrual method and, thus, the entire amount is recognized as revenue, regardless of the collection date. The net change in deferred revenues is reported as an increase in net assets		(457,948)
Change in Net Pension Assets due to excess contributions		(117)
Change in the carrying value of Joint Venture. This change represents the County's share of the financial results of the Joint Venture.		21,703
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		133,882

Continued on next page

NEWTON COUNTY, GEORGIA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds in the Statement of Net Activities
For the Fiscal Year Ended June 30, 2012

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of two balances.

Compensated absences	$ (561,398)	
Amortization of debt discount, premium and issuance costs	(46,809)	
		(608,207)

Change in net assets of governmental activities (Exhibit B)	$ (4,858,639)

NEWTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 37,064,606	$ 37,064,605	$ 38,171,340	$ 1,106,735
Licenses and permits	290,500	290,500	265,405	(25,095)
Intergovernmental revenue	1,193,037	1,193,037	1,197,106	4,069
Charges for services	4,056,650	4,056,650	4,672,347	615,697
Fines and forfeitures	1,329,500	1,329,500	1,220,224	(109,276)
Investment income	37,000	37,000	22,696	(14,304)
Contributions and donations	2,500	2,500	2,803	303
Miscellaneous	174,383	174,383	604,116	429,733
Total revenues	44,148,176	44,148,175	46,156,037	2,007,862
EXPENDITURES				
Current:				
General government:				
Chief Executive	2,456,364	3,655,113	3,655,113	-
Elections	472,015	339,042	339,042	-
Data Processing	497,031	454,414	454,414	-
Human resources	247,540	250,337	250,337	-
Tax commissioner	837,051	835,940	835,940	-
Tax assessor	854,558	816,778	816,778	-
Buildings & plant	759,824	641,959	641,959	-
Judicial				
Superior court	657,331	745,890	745,890	-
Clerk of superior court	991,021	871,891	871,891	-
District attorney	1,003,810	1,022,818	1,022,818	-
Magistrate court	236,161	231,046	231,046	-
Probate court	424,501	411,767	411,767	-
Juvenile court	784,649	794,925	794,925	-
Public defender	385,668	371,481	371,481	-
Public safety				
Sheriff	9,313,342	9,313,342	9,413,894	(100,552)
Jail operations	8,722,201	8,722,201	9,214,547	(492,346)
Fire	3,816,007	3,906,929	4,142,778	(235,849)
Coroner	57,531	58,222	58,222	-
Other protective services	630,574	651,714	651,714	-
Public works				
Administration	4,107,709	3,397,616	3,397,616	-
Traffic engineering	331,310	288,450	288,450	-
Solid waste recycling	75,593	103,919	103,919	-
Maintenance & shop	690,580	402,456	402,456	-
Health and welfare				
Welfare	718,935	718,935	718,936	(1)
Culture and recreation				
Recreation	1,730,038	1,807,639	1,807,639	-
Parks	83,613	82,504	82,504	-
Library	916,452	916,452	916,452	-

Continued on next page

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

NEWTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Housing and development				
Water resources	$ -	$ -	$ (1)	$ 1
Conservation	79,921	83,289	83,289	-
Planning and zoning	957,949	934,509	934,509	-
Economic development	120,500	128,450	128,450	-
Total expenditures	42,959,779	42,960,028	43,788,775	(828,747)
Excess (deficiency) of revenues over expenditures	1,188,397	1,188,147	2,367,262	1,179,115
OTHER FINANCING SOURCES (USES)				
Capital lease financing	-	-	1,400,000	1,400,000
Proceeds from sale of assets	100,000	100,000	19,454	(80,546)
Transfers in	-	-	136,283	136,283
Transfers (out)	(1,288,147)	(1,288,147)	(1,895,300)	(607,153)
Total other financing sources (uses)	(1,188,147)	(1,188,147)	(339,563)	848,584
Net change in fund balance	$ 250	$ -	2,027,699	$ 2,027,699
Fund balance - beginning			6,461,745	
Fund balance - ending			$ 8,489,444	

Continued from previous page

NEWTON COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
ASSETS					
Current Assets					
Cash	$ 7,228,314	$ 451,762	$ 24,140	$ 7,704,216	$ 83,050
Accounts receivable	747,954	142,155	6,000	896,109	-
Due from other governments	-	-	-	-	101
Prepaid expenses & inventories	43,991	39,667	-	83,658	63,707
Total current assets	8,020,259	633,584	30,140	8,683,983	146,858
Noncurrent Assets					
Restricted Assets					
Cash	2,800,817	-	-	2,800,817	-
Total restricted assets	2,800,817	-	-	2,800,817	-
Capital Assets,					
Not being depreciated	25,551,542	2,899,428	-	28,450,970	-
Being depreciated, net of depreciation	27,730,807	9,528,943	211,146	37,470,896	-
Net capital assets	53,282,349	12,428,371	211,146	65,921,866	-
Noncurrent Assets					
Deferred charges	532,945	-	-	532,945	-
Due from Walton County	376,532	-	-	376,532	-
Total noncurrent notes receivable	909,477	-	-	909,477	-
Total noncurrent assets	56,992,643	12,428,371	211,146	69,632,160	-
Total assets	$ 65,012,902	$ 13,061,955	$ 241,286	$ 78,316,143	$ 146,858

Continued on next page

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

NEWTON COUNTY, GEORGIA
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
LIABILITIES					
Current Liabilities					
Accounts payable	$ 391,024	$ 83,718	$ 1,123	$ 475,865	$ 55,228
Accrued expenses	674,747	43,184	-	717,931	-
Current portion of notes payable	-	136,479	-	136,479	-
Current portion of capital lease obligations	-	106,066	-	106,066	-
Current portion of revenue bonds	1,970,000	-	-	1,970,000	-
Current portion landfill closure	-	74,031	-	74,031	-
Deposits from customers	-	-	5,150	5,150	-
Due to other governments	-	-	-	-	209
Due to other funds	255,314	325,093	-	580,407	-
Total current liabilities	3,291,085	768,571	6,273	4,065,929	55,437
Noncurrent Liabilities					
Notes payable	-	3,852,381	-	3,852,381	-
Capital lease obligations	-	327,476	-	327,476	-
Revenue bonds	28,540,000	-	-	28,540,000	-
Bond Premium	935,338	-	-	935,338	-
Deferred loss on advanced refunding	(554,958)	-	-	(554,958)	-
Landfill closure/postclosure	-	4,335,099	-	4,335,099	-
Total noncurrent liabilities	28,920,380	8,514,956	-	37,435,336	-
Total liabilities	32,211,465	9,283,527	6,273	41,501,265	55,437
NET ASSETS					
Invested in capital assets, net of related debt	22,924,914	7,503,454	211,146	30,639,514	-
Restricted for repayment					
Restricted for debt service	2,800,817	-	-	2,800,817	-
Unrestricted	7,075,706	(3,725,026)	23,867	3,374,547	91,421
Total net assets	$ 32,801,437	$ 3,778,428	$ 235,013	$ 36,814,878	$ 91,421

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

NEWTON COUNTY, GEORGIA
Statement of Revenues Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
REVENUES					
Sales	$ 7,968,009	$ 1,718,758	$ 1,862	$ 9,688,629	$ 136,283
Transportation and wheeling	9,152	-	-	9,152	-
Meter maintenance	30,183	-	-	30,183	-
Sale of recyclables	-	244,622	-	244,622	-
Activity fees	16,864	-	-	16,864	-
Miscellaneous income	647	6,610	17,541	24,798	-
Total operating revenues	8,024,855	1,969,990	19,403	10,014,248	136,283
EXPENSES					
Cost of Sales & services	-	307,963	-	307,963	-
Personal services	434	798,272	-	798,706	-
Purchased/Contracted services	1,097,030	1,234,471	14,167	2,345,668	351,187
Supplies	1,863,019	305,496	19,555	2,188,070	-
Depreciation	1,292,653	539,502	10,986	1,843,141	-
Other costs	756,360	-	-	756,360	-
Total operating expenses	5,009,496	3,185,704	44,708	8,239,908	351,187
Operating income (loss)	3,015,359	(1,215,714)	(25,305)	1,774,340	(214,904)
NONOPERATING REVENUES (EXPENSES)					
Gain on disposal of capital assets	(16,260)	208,733	-	192,473	-
Interest earned	383,202	1,247	79	384,528	703
Interest expense & costs	(1,470,805)	(42,072)	-	(1,512,877)	-
Total non-operating revenues (expenses)	(1,111,091)	167,908	79	(943,104)	703
Income (loss) before Transfers	1,904,268	(1,047,806)	(25,226)	831,236	(214,201)
Other Financing Sources (uses):					
Transfers in	-	750,000	-	750,000	-
Transfers (out)	-	-	-	-	(136,283)
Total Contributions & Transfers	-	750,000	-	750,000	(136,283)
Change in net assets	1,904,268	(297,806)	(25,226)	1,581,236	(350,484)
Net assets - beginning	30,897,169	4,076,234	260,239	35,233,642	441,905
Net assets - ending	$ 32,801,437	$ 3,778,428	$ 235,013	$ 36,814,878	$ 91,421

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

NEWTON COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
Cash flows from operating activities:					
Cash received from customers	$ 7,435,306	$ 2,795,175	$ 18,743	$ 10,249,224	$ -
Cash received for interfund services provided	-	-	-	-	136,283
Cash payments for goods and services	(2,946,007)	(1,809,750)	(34,156)	(4,789,913)	(325,106)
Cash payments to employees	-	(575,297)	-	(575,297)	-
Net cash provided by (used for) operating activities	4,489,299	410,128	(15,413)	4,884,014	(188,823)
Cash flows from non-capital financing:					
Transfers in (out)	-	750,000	-	750,000	(136,283)
Repayment of advance others	5,943,135	-	-	5,943,135	-
Repayment of loan other funds	298,248	-	(1,419)	296,829	-
Advances from other funds	(119,272)	233,402	-	114,130	-
Net cash from non-capital financing activities	6,122,111	983,402	(1,419)	7,104,094	(136,283)
Cash flows from capital and related financing activities:					
Proceeds of capital debt	-	853,629	-	853,629	-
Principal payments on long-term debt	(1,924,376)	(652,217)	-	(2,576,593)	-
Interest paid on debt	(1,403,051)	(42,072)	-	(1,445,123)	-
Purchases of property, plant, and equipment	(1,009,223)	(1,581,206)	-	(2,590,429)	-
Proceeds sale of supplies	(16,260)	212,039	-	195,779	-
Net cash (used in) capital and related financing	(4,352,910)	(1,209,827)	-	(5,562,737)	-
Cash flows from investing activities:					
Interest received	84,954	1,247	79	86,280	703
Purchases of investments	-	-	-	-	-
Net cash provided by investing activities	84,954	1,247	79	86,280	703
Net increase (decrease) in cash & cash equivalents	6,343,454	184,950	(16,753)	6,511,651	(324,403)
Cash & cash equivalents, beginning	3,685,676	266,815	40,893	3,993,384	407,453
Cash & cash equivalents, ending	$ 10,029,130	$ 451,765	$ 24,140	$ 10,505,035	$ 83,050

Continued on next page

NEWTON COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
Cash flows from operating activities:					
Operating income (loss)	$ 3,015,359	$ (1,215,714)	$ (25,305)	$ 1,774,340	$ (214,904)
Adjustments to reconcile net income to net cash provided by operating activities:					
Landfill closure and postclosure costs	-	253,494	-	253,494	-
Depreciation and amortization	1,292,653	539,502	10,986	1,843,141	-
Changes in operating assets and liabilities:					
Accounts receivable	166,811	831,795	-	998,606	109
Prepaid expenses	-	(24,667)		(24,667)	-
Interfund receivables/payables	-	-	-	-	(1,377)
Customer deposits	-	-	(660)	(660)	-
Accounts payable	14,476	25,718	(434)	39,760	27,349
Net cash provided by (used for) operating activities	$ 4,489,299	$ 410,128	$ (15,413)	$ 4,884,014	$ (188,823)

Continued from previous page

NEWTON COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

ASSETS	
Cash	$ 923,226
Receivables	4,374,945
Total assets	$ 5,298,171
LIABILITIES	
Due to others	$ 5,298,171
Total liabilities	$ 5,298,171

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

NEWTON COUNTY, GEORGIA
Statement of Net Assets
Component Units

	June 30, 2012				December 31, 2011		June 30, 2012	
	Library	Senior Services	Health Department	Recreation Commission	Industrial Development Authority	Total Governmental Component Units	Water and Sewerage Authority	Total
ASSETS								
Cash	$ 1,415,203	$ 41,317	$ 2,297,154	$ 172,820	$ 739,425	$ 4,665,919	$ 5,000	$ 4,670,919
Investments	54,694	-	-	-	-	54,694	-	54,694
Accounts receivable, net	346,954	54,773	17,376	-	-	419,103	2,003,727	2,422,830
Restricted assets	-	-	-	-	-	-	9,051,988	9,051,988
Capital assets, net	6,364,009	1,368	31,419	337,486	1,702,385	8,436,667	98,366,378	106,803,045
Other assets	6,649	-	-	-	-	6,649	56,605	63,254
Inventories	-	-	-	-	-	-	172,591	172,591
Prepaid items	2,684	-	-	-	-	2,684	17,295	19,979
Total assets	8,190,193	97,458	2,345,949	510,306	2,441,810	13,585,716	109,673,584	123,259,300
LIABILITIES								
Accounts payable	73,202	13,399	40,506	4,883	-	131,990	1,031,018	1,163,008
Due to other governments	-	27,041	4,027	81,338	-	112,406	-	112,406
Deposits	-	-	-	-	-	-	698,458	698,458
Accrued expenses	35,789	-	-	-	-	35,789	55,021	90,810
Deferred revenue	-	-	-	9,070	-	9,070	-	9,070
Long-term debt								
Due within one year:	11,621	-	57,000	11,323	-	79,944	1,910,108	1,990,052
Due after one year:	17,431	-	25,184	-	-	42,615	12,770,237	12,812,852
Total liabilities	138,043	40,440	126,717	106,614	-	411,814	16,464,842	16,876,656
NET ASSETS								
Invested in capital assets	6,364,009	-	31,419	326,163	1,702,385	8,423,976	83,765,141	92,189,117
Restricted	370,624	-	1,330,009	-	-	1,700,633	9,051,988	10,752,621
Unrestricted	1,317,517	57,018	857,804	77,529	739,425	3,049,293	391,613	3,440,906
Total net assets	$ 8,052,150	$ 57,018	$ 2,219,232	$ 403,692	$ 2,441,810	$ 13,173,902	$ 93,208,742	$ 106,382,644

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

NEWTON COUNTY, GEORGIA
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2012
For the Year Ended December 31, 2011 for the Industrial Development Authority

		Program Revenues		
Activities:	**Expenses**	**Fees, Fines and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Component units:				
Newton County Water and Sewerage Authority	$ 12,610,355	$ 13,933,533	$ -	$ 677,390
Newton County Library	2,073,942	156,613	306,453	91,760
Newton County Senior Services, Inc.	679,702	385,596	231,491	-
Newton County Health Department	1,874,831	873,267	1,024,496	-
Newton County Recreation Commission	2,397,283	447,811	32,000	-
Newton County Industrial Development Authority	544,895	-	350,000	-
Total component units	$ 20,181,008	$ 15,796,820	$ 1,944,440	$ 769,150

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

	Net Revenue (Expense) and Changes in Net Assets						
Component units:	**Water and Sewerage Authority**	**Library**	**Senior Services**	**Health Department**	**Recreation Commission**	**Industrial Development Authority**	**Total**
Newton County Water and Sewerage Authority	$ 2,000,568	$ -	$ -	$ -	$ -	$ -	$ 2,000,568
Newton County Library	-	(1,519,116)		-	-	-	(1,519,116)
Newton County Senior Services, Inc.	-	-	(62,615)	-	-	-	(62,615)
Newton County Health Department	-	-	-	22,932	-	-	22,932
Newton County Recreation Commission	-	-	-	-	(1,917,472)	-	(1,917,472)
Newton County Industrial Development Authority	-	-	-	-	-	(194,895)	(194,895)
Total component units	2,000,568	(1,519,116)	(62,615)	22,932	(1,917,472)	(194,895)	(1,670,598)
General Revenues:							
Investment earnings	28,532	2,419	-	-	434	6,058	37,443
Miscellaneous	-	-	-	-	30,089	473	30,562
Appropriation from Newton County	-	933,852	-	-	1,702,536	-	2,636,388
Special item	-	-	-	21,419	-	-	21,419
Total general revenues	112,910	936,271	-	21,419	1,733,059	6,531	2,810,190
Change in net assets	2,113,478	(582,845)	(62,615)	44,351	(184,413)	(188,364)	1,139,592
Net assets - beginning	91,095,264	8,634,995	119,633	2,174,881	588,105	2,630,174	105,243,052
Net assets - ending	$ 93,208,742	$ 8,052,150	$ 57,018	2,219,232	$ 403,692	$ 2,441,810	$ 106,382,644

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

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Newton County, Georgia was created in 1821. The County is governed by a six-member Board of Commissioners. Each commissioner is elected to a staggered four-year term. The Chairman serves as the full-time Chief Executive Officer and the other five commissioners serve on a part-time basis. The Chairman is responsible for the daily operations of the County.

The financial statements of Newton County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of Newton County (the primary government) and its component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Discretely Presented Component Units – The component unit columns in the government-wide financial statements include the financial data of the County's non fiduciary component units. They are included because, if excluded, the County's financial statements would be misleading. They are reported in separate columns in the government-wide financial statements to emphasize their legal separation from the County. The following component units are included in the statements:

Newton County Water and Sewerage Authority - The Authority is a corporate and political body created and existing under the laws of the State of Georgia. The Authority was established to acquire, construct, and operate a water and sewerage system to provide service to individuals, public and private corporations, and municipal corporations. The governing board of the Authority consists of eight members, five which are appointed by the Board of Commissioners. The County, by virtue of its appointments, controls a majority of the Authority's governing body position. The County guarantees much of the debt of the Authority.

Newton County Library System - The Library Board consists of eight members; six appointed by the Newton County Board of Commissioners, one appointed by the Covington City Council, and one appointed by the Newton County Board of Education. The Library Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which the Library receives support and to the State of Georgia for State and Federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Library Board has the power to appoint management, retain unreserved fund balances of local funds for continued operations, and is the lowest level of oversight responsibility for the Library's operations. The County appoints a majority of the Library's Board members and provides a substantial majority of funding for the Library's operations. The County provided appropriations totaling $916,452 to the Library System.

Note 1: Summary of Significant Accounting Policies, continued

A. Reporting Entity, continued

Newton County Recreation Commission - The governing board of the Recreation Commission consists of six members; three members appointed by the City of Covington, and three members appointed by the County. The County exercises control over service deliverables, properties, insurance coverage, and personnel policies. The County also provides significant funding to the overall operation of the Recreation Commission. The Recreation Commission reimburses the County for its use of County employees in the Recreation Commission's daily operations. These reimbursements totaled $728,150. Additionally, the County provided appropriations to the Commission totaling $1,702,538.

Newton County Health Department - The governing board of the County Board of Health consists of seven members; County Chairman, County School Superintendent, governing official from the largest city in the county, three members appointed by the County Board of Commissioners, and one member appointed by the largest city. The County provides funding to the Health Department by way of an annual appropriation and by providing building facilities.

Newton County Industrial Development Authority (IDA) – The governing board of the IDA includes the Chairman of Newton County, the Mayor of the City of Covington, the President of the Newton County Chamber of Commerce, and two at large members elected by the other three IDA members. The IDA is a body corporate and politic organized under the laws of the State of Georgia. The IDA exists to foster industrial development within Newton County. The County provides guarantees and funding for various bonds issued for industrial development.

Newton County Senior Services – The Senior Services became a component unit in 2007 after existing as a department of the county. It is now governed by a board of trustees, appointed by the chairman and commissioners, (members of the corporation), who submit their annual budget to the county's chairman and board. The Senior center operates to provide services to the elderly of Newton County, such as nutritional needs, transportation needs and recreational activities.

The Newton County Water and Sewerage Authority (the Authority) has a June 30 year-end. The IDA has a December 31 year end. The other component units included in the report have a June 30 year-end. Due to the differing year-ends between the County (primary government) and its component units, appropriations to component units may not equal appropriations from the primary government.

Complete financial statements of the discretely presented component units can be obtained directly from its administrative office. The address for the administrative offices is a follows:

Newton County Water and Sewerage Authority
11325 Brown Bridge Road
Covington, Georgia 30209

Newton County Recreation Commission
6185 Turner Lake
Covington, Georgia 30014

Newton County Library System
7116 Floyd Street
Covington, Georgia 30014

Newton County Health Department
8203 Hazelbrand Road
Covington, Georgia 30014

Newton County Industrial Development Authority
P.O. Box 1617
Covington, Georgia 30015

Newton County Senior Services
6185 Turner Lake
Covington, Georgia 30014

B. Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Accounting, Basis of Presentation, continued

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues and expenses, such as charges for services, costs of services, and administration result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items not meeting these definitions are reported as nonoperating revenues or expenses, and result from nonexchange transactions or activities ancillary to the fund's continuing operations.

The County reports the following major governmental funds:

General Fund – This 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.

2011 SPLOST Capital Projects Fund – This is a capital projects fund established to account for all special local option sales tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

2005 SPLOST Capital Projects Fund – This is a capital projects fund established to account for all special local option sales tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

The County reports the following major enterprise funds:

Water Fund – This fund accounts for the operation and maintenance of the Cornish Creek reservoir water system.

Solid Waste Fund – This fund accounts for the operation and maintenance of the County's landfill, disposal sites, and recycling center.

Additionally, the County reports the following internal service fund:

Employee Benefits fund – Internal Service Funds are used to account for the financing of goods or services provided by one department or division to other departments or agencies of the Government on a cost-reimbursement basis. The Employee Benefits fund provides for workers' compensation insurance claims and is accounted for as an Internal Service Fund.

The County reports the following fiduciary fund type:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. Following are the County's agency funds at June 30, 2012: Tax Commissioner, Sheriff, Probate Court, Clerk of Superior Court, Magistrate Court, and Juvenile Court.

Note 1: Summary of Significant Accounting Policies, continued

Measurement Focus

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations are reflected in the financial statements on the accrual basis. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

As a general rule, the effect of interfund activity has been eliminated from the government –wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

All business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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 to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Budgets and Budgetary Accounting

The County uses GAAP as its budgetary basis of accounting. The County follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to July 1, the Chairman submits to the Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Newton County.

3. The budget is then revised and adopted or amended by the Commission before the first regular meeting in July of the year to which it applies. The legal level of budgetary control is the department level.

4. The budget so adopted may be revised during the year only by formal action of the Commission in a regular meeting and no increase in expenditures shall be made therein without provision also being made for financing the same.

5. Budgeted amounts are as originally adopted, or as amended by the Commission. Individual amendments were not material in relation to the original appropriations.

Note 1: Summary of Significant Accounting Policies, continued

6. Operating budgets are legally adopted each fiscal year for the General Fund, all Special Revenue Funds (Seized Fund has only assets for this year and therefore, no budget required) and the Debt Service Fund on a basis consistent with generally accepted accounting principles. Project length budgets are adopted for all capital project funds. All annual appropriations lapse at fiscal year end.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is used by the County. Encumbrances outstanding at year end are reported as a reservation of fund balance since they do not constitute expenditures nor a liability and are available for expenditure in the subsequent year. Encumbrances lapse at the end of the next fiscal year.

E. Interfund Activity

Expenses allocated to the different programs and funds are recorded as expenses of the program or fund that incurred the expense. Governmental activity purchases of business-type activity services are reported as expenses and revenues in the statement of activities. Interfund transfers between governmental and business-type activities are eliminated. Interfund transfers between governmental and business-type activities are reported in the statement of activities.

F. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. Any bank deposit in excess of FDIC insured amounts must be secured by an equivalent amount of State of Georgia or U.S. obligations or direct loans to the County. General Fund cash balances exceeding amounts required for the County's daily operating activities were invested in the State of Georgia Local Government Investment Pool during the fiscal year. The County classifies amounts in this pool as investments for disclosure purposes.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments are recorded at cost plus accrued interest, which approximates market value.

G. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for doubtful accounts, when material. Any allowance for doubtful accounts is insignificant at year-end. The County uses the specific identification method of estimating doubtful accounts. The results that are reported under this method do not differ significantly from results that would have been reported had the allowance method been used.

H. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also taxes for the County School District and certain cities within the county. County property tax revenues are recognized when levied to the extent that they result in current receivables. Property taxes are levied by July 15 of each year and are due in two equal payments. The first payment is due September 20. The second payment is due by December 20, and all payments are delinquent and subject to collection efforts pursuant to the O.C.G.A. on December 21. Motor vehicle taxes are assessed as of January 1 and are levied and collected throughout the year.

A local option sales tax is in force. Proceeds for this tax are remitted to the County monthly and are utilized to give property owners tax relief. Taxes receivable at June 30, 2012 amounted to $1,315,296 while deferred property tax revenue totaled $512,562.

Note 1: Summary of Significant Accounting Policies, continued

I. Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Inventory is valued at cost and consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used. Reported inventories are equally offset by fund balance reserve, which indicates that they do not constitute available spendable resources.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All land and improvements, and all works of art/historical treasures are capitalized. Building, building improvements and other improvements are recorded as capital assets when either a new building or improvement is constructed or the improvement substantially increases the economic life of an existing building or improvement. All personal property with initial, individual costs that equal or exceed $2,500 are recorded as capital assets. Pursuant to GASB Statement No. 34, the County has retroactively identified all infrastructure assets placed in service prior to July 1, 2002 and has recorded those assets which fall with the County's capitalization policy.

Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 under construction are capitalized as costs are incurred. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives	
Asset Class	Governmental activities	Business-type activities
Infrastructure	15-50	N/A
Building and improvements	20-50	25-30
Water distribution system	N/A	40
Vehicles	5	N/A
Furniture and fixtures	10	N/A
Machinery and equipment	7-12	5-12
Computer equipment	5	N/A

K. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and compensatory time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. In accordance with the provisions of GASB Statement 11, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

L. Restricted Assets

Certain proceeds of Enterprise and Capital Projects Funds notes and revenue bonds, as well as certain resources set aside for repayment of the current portion of certain long-term obligations are classified as restricted assets. The

Note 1: Summary of Significant Accounting Policies, continued

M. Fund Equity

As of June 30, 2011, the County adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, improve the usefulness of fund balance information, and clarify the definitions of the governmental fund types. As a result of the implementation, the governmental funds now report the following five categories of fund balance: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Board of Commissioners. Newton County Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Newton County Board of Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Through resolution, the Board of Commissioners has authorized the County Administrative Officer and Chief Accounting Officer to assign fund balances.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

Note 2: Stewardship, Compliance and Accountability

A. Deficit Fund Balances:

No funds had a deficit fund balance as of June 30, 2012.

B. Excess of Expenditures over appropriations:

The following departments had excess expenditures over appropriations for June 30, 2012.

General Fund

Sheriff - $101,552 Jail - $492.346 Fire - $235,849

Special Revenue Fund

E-911 - $348,537

Note 3: Cash and Investments

Primary Government

The County adopted the disclosure requirements of GASBS no. 40, *Deposits and Investment Risk Disclosures* during the year ended June 30, 2006.

Custodial credit risk of deposits represents the risk that the County will suffer a loss in the event of a bank failure. All of the County's bank balance of $46,391,154 of deposits are either insured or collateralized by securities that are not held by the pledging financial institution. The securities that secure the County's deposits are held as part of a pool of pledged securities administered under the direction of the Georgia Office of Treasury and Fiscal Services. Consequently, the County does not face any custodial credit risk over deposits. The County does not have a custodial credit risk policy other than a policy to comply with state law. However, state law requires that any uninsured deposits be collateralized with assets equal to 110% of the bank balance.

Credit Risk - Georgia law authorizes local governments to invest in the following types of obligations:

- Obligations of the State of Georgia or any other states;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or governmental agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

The County has $8,934,582 invested in the Georgia Fund 1. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Georgia Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Because the average original maturity of the investments in Georgia Fund 1 is less than 90 days, the County classifies this money as a cash equivalent. The County has no investment policy that would further limit its investment choices. The County's investments in U.S. Agencies are rated AAA, as is their investment in the Local Government Investment Pool, by Standard and Poor's.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer. GASB Statement 40 requires disclosure when the percent is 5% or more in any one issuer. All of the County's investments are in U.S. Treasury and Government agency funds and the Local Government Investment Pool.

Foreign Currency Risk – All deposits and investments are denominated in US dollars. Accordingly, the County is not exposed to foreign currency risk.

Note 3: Cash and Investments, continued

Investment Type	Credit Rating	Investment Maturities (in years) Less than 1	1-5	Total Fair Value
General Fund				
Georgia Fund 1*	AAAm	$ 8,296,445	$ -	$ 8,296,445
		46 day WAM		
2005 SPLOST Fund				
Georgia Fund 1*	AAAm	638,137	-	638,137
Fixed Income Securities	AAA	5,455,583	-	5,455,583
2011 SPLOST Fund				
Georgia Fund 1*	AAAm	3,956	-	3,956
Capital Project - Capital Improvement Fund				
Fixed Income Securities	AAA	181,621	-	181,621
Debt Service Fund				
Fixed Income Securities	AAA	1,574,275	-	1,574,275
Water Fund				
Fixed Income Securities	Aaa	2,800,079	-	2,800,079
Special Revenue Fund - Law Library				
Certificates of Deposit		86,460	-	86,460
		$ 19,032,600	$ -	$ 19,032,600

* Georgia Fund 1 has a maturity of less than 90 days and, therefore, has been included in Cash balance for financial reporting purposes.

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2012 is as follows:

Governmental activities:

	Beginning (As restated)	Additions	Retirements	Ending
Capital assets not being depreciated:				
Land	$ 67,898,396	$ -	$ -	$ 67,898,396
Construction in Progress	6,909,584	650,217	6,503,165	1,056,636
Total capital assets not being depreciated	74,807,980	650,217	6,503,165	68,955,032
Capital assets being depreciated:				
Infrastructure	494,500,386	-	-	494,500,386
Buildings and Improvements	82,044,954	-	-	82,044,954
Equipment, Furniture and Vehicles	19,836,141	8,101,907	-	27,938,048
Total capital assets being depreciated	596,381,481	8,101,907	-	604,483,388
Less accumulated depreciation for:				
Infrastructure	402,639,853	8,842,519	-	411,482,372
Buildings and Improvements	21,459,531	2,981,096	-	24,440,627
Equipment, Furniture and Vehicles	14,645,528	1,364,733	-	16,010,261
Total accumulated depreciation	438,744,912	13,188,348	-	451,933,260
Net governmental capital assets, net	$ 232,444,549	$ (4,436,224)	$ 6,503,165	$ 221,505,155

Note 4: Capital Assets, continued

Total government activities depreciation expense	
General government	$ 1,181,351
Judicial	69,929
Public Safety	2,331,710
Public Works	9,068,736
Culture & Recreation	525,922
Housing & Development	10,700
	$ 13,188,348

Business-type activities:

Water Fund	Beginning	Additions	Retirements	Ending
Capital assets not being depreciated:				
Land	$ 8,121,186	$ -	$ -	$ 8,121,186
Construction in Progress	16,713,233	717,123	-	17,430,356
Total capital assets not being depreciated	24,834,419	717,123	-	25,551,542
Capital assets being depreciated:				
Land improvements	250,636	-	-	250,636
Buildings	27,804,639	-	-	27,804,639
Water distribution system	8,838,064	-	-	8,838,064
Machinery and equipment	4,226,907	292,100	-	4,519,007
Total capital assets being depreciated	41,120,246	292,100	-	41,412,346
Less accumulated depreciation for:				
Land improvements	198,053	8,585	-	206,638
Buildings	3,764,722	710,427	-	4,475,149
Water distribution system	4,723,717	356,660	-	5,080,377
Machinery and equipment	3,702,394	216,981	-	3,919,375
Total accumulated depreciation	12,388,886	1,292,653	-	13,681,539
Total capital assets, depreciated, net	$ 53,565,780	$ (283,430)	$ -	$ 53,282,349

Note 4: Capital Assets, continued

Business-type activities: **Solid Waste Fund**	Beginning	Additions	Retirements	Ending
Capital assets not being depreciated:				
Land	$ 2,899,428	$ -	$ -	$ 2,899,428
Construction in Progress	40,534	267,064	307,598	-
Total capital assets not being depreciated	2,939,962	267,064	307,598	2,899,428
Capital assets being depreciated:				
Land improvements	10,136,195	431,498	-	10,567,693
Buildings	436,591	-	-	436,591
Machinery and equipment	3,133,009	962,595	635,596.00	3,460,008
Total capital assets being depreciated	13,705,795	1,394,093	635,596.00	14,464,292
Less accumulated depreciation for:				
Land improvements	2,008,635	362,635	-	2,371,270
Buildings	192,385	15,077	-	207,462
Machinery and equipment	2,518,882	161,457	323,719.00	2,356,620
Total accumulated depreciation	4,719,902	539,169	323,719.00	4,935,352
Total capital assets, depreciated, net	$ 11,925,855	$ 1,121,988	$ 619,475	$ 12,428,368

Business-type activities: **Nonmajor Gaithers Plantation Fund**	Beginning	Additions	Retirements	Ending
Capital assets being depreciated:				
Buildings	$ 285,590	$ -	$ -	$ 285,590
Site Improvements	33,035	-	-	33,035
Machinery and equipment	49,073	-	-	49,073
Total capital assets being depreciated	367,698	-	-	367,698
Less accumulated depreciation for:				
Buildings	94,805	8,640	-	103,445
Site Improvements	6,417	992	-	7,409
Machinery and equipment	44,344	1,354	-	45,698
Total accumulated depreciation	145,566	10,986	-	156,552
Total capital assets, depreciated, net	$ 222,132	$ (10,986)	$ -	$ 211,146
Total business-type capital assets, net	$ 65,713,767	$ 827,572	$ 619,475	$ 65,921,863

Note 5: Interfund Balances and Activity

Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2012 consist of the following:

	Due From's			
Due To's	**General Fund**	**2005 SPLOST**	**Nonmajor Governmental Funds**	**Total**
Governmental Funds:				
General	$ -	$ -	$ 3,116,567	$ 3,116,567
SPLOST 2011	12,640		272,205	284,845
Enterprise Funds:				
Cornish Creek	8,139	-	247,175	255,314
Solid Waste	325,093	-	-	325,093
Nonmajor enterprise		-	-	-
Nonmajor governmental	416,278	55,221	-	470,091
	$ 762,150	$ 55,221	$ 3,636,893	$ 4,451,910

The General Fund has amounts due from the Solid Waste Fund $325,093 that arose from the General Fund providing the necessary cash to finance operations of the Solid Waste Fund. These amounts are expected to be repaid during the year ended June 30, 2013 due to increased capacity. The E-911 fund has a receivable for amounts that are owed from the General Fund $780,056 as part of regular budgeted transfers to be paid soon after year end. The Capital Improvements Fund has a balance due from the General Fund as of year end for amounts budgeted to be transferred for the year that will be paid soon after year end. The SPLOST 2005 has a balance due from the Debt Service Fund due to the refinancing of a long term debt right at the year end, whereby the semi-annual payment was made twice.

All of the remaining balances result from timing differences in payments for goods and services by one fund for the benefit of another and reimbursement of those amounts.

Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2012 consist of the following:

	Transfers From				
Transfers To	**General Fund**	**2011 SPLOST Fund**	**Nonmajor Governmental Funds**	**Internal Service**	**Total**
Governmental Funds:					
General	$ -	$ -	$ -	$ 136,283	$ 136,283
Proprietary Funds:					
Solid Waste	750,000	-	-	-	750,000
Nonmajor governmental	1,145,300	1,937,526	35,370	-	3,118,196
	$ 1,895,300	$ 1,937,526	$ 35,370	$ 136,283	4,004,479

The transfer between 2011 SPLOST fund and the Debt Service Fund - was to transfer SPLOST collections to make General Obligation bond payments.

The County routinely records transfers to account for unrestricted amounts that have been either collected in the General Fund and are required to be expended by statutory or budgetary requirement in a different fund or are required to be collected in one fund but required to be disbursed by a different fund.

Note 6: Long-term Obligations
Primary Government
Governmental Activities:

General Obligation Bonds

In July, 2005, the County issued Series 2005 General Obligation Sales Tax Bonds in the amount of $25,700,000. The bonds bear interest at rates ranging from 2.80% to 5.00% and will be repaid in principal installments of $4,835,000 to $5,475,000 beginning in July 2007. The bonds will be repaid from proceeds received from the imposition of a 1% sales and use tax. Proceeds of the issue are designated for certain road improvements, construction of certain facilities, and for paying all expenses incident to the Intergovernmental Agreements between the County and the municipalities of Covington, Mansfield, Newborn, Oxford, and Porterdale. The bonds are subject to federal arbitrage regulations.

COPS

$3,425,000 Installment Sale Agreement On May 30, 2012, the County entered into an installment sale agreement with the Association of County Commissioners of Georgia in order to refund the 2003 Certificates of Participation. The County issued bonds with par value of $3,425,000 that accrue interest at rates varying from 2.9% to 3.6% with principal payments varying from $440,000-$530,000 through December 2018. The County placed the $3,425,000 proceeds plus prior debt service reserve monies into an irrevocable trust for the purpose of generating sufficient assets to allow the trust to make all of the debt service payments for the $3,375,000 still outstanding, at the time of the refunding on the 2003 certificates. Accordingly, these bonds are considered to be defeased, and the bonds have been removed from the balance sheet of the Statement of Net Assets. The difference between the assets placed into the irrevocable trust and the outstanding balance of the bonds plus the net book value of the bonds' deferred issuance costs resulted in a total deferred loss on refunding of $167,867. This deferred loss is being amortized straight-line over the remaining life of the refunded bonds, as this period is shorter than the life of the new bonds. The County completed the advanced refunding in order to take advantage of lower interest rates and to manage the County's cash flow, which saved the County $184,293 of debt service costs and has a present value of $184,459. The following schedule provides information about the remaining outstanding balance of the refunded bonds as of June 30, 2012:

Issued	Purpose	Interest Rate (%)	Interest Date	Date of Bonds	Maturity Date	Authorized and Issued	Retired	Outstanding
6/1/2003	Jail Improvement	3.60%	Semi-Annually	6/1/2003	1/1/2019	$ 6,180,000	$ 2,805,000	$ 3,375,000

$13,200,000, 2006 Certificates of Participation ACCG Lease Program On August 1, 2006 the County issued Series 2006 Certificates of Participation through the Association of County Commissioners of Georgia Leasing Program to finance the acquisition and construction of a county office complex, and related parking facilities. The certificates are payable in annual installments of principal varying from $395,000 - $1,100,000 through January, 2020. Interest is due semi-annually at rates varying from 3.50% to 5.0%. The Series 2006 Certificates of Participation were issued at a premium of $30,840.

Notes Payable

Georgia Environmental Facilities Authority On several occasions, the County has borrowed funds from the Georgia Environmental Facilities Authority (GEFA) for various water and sewer projects. Also, the County is the originator/guarantor on a GEFA loans for the City of Porterdale. The loan was approved for $1,854,837. Management believes that the City will make all required payments and therefore the County is only a conduit. However, should the County have to make the payments, they have a right to take control of the City's water system. Management believes the system would be valued in excess of the loan. Installment payments are $ 39,360 quarterly.

Purpose	Interest Rate %	Interest Date	Date of Note	Maturity Date	Authorized and Issued	Retired	Outstanding
Porterdale Water/Sewer	4.80%	Quarterly	2/1/2000	3/1/2017	$ 1,854,837	$ 1,216,274	$ 638,563

Note 6: Long-term Obligations, continued

Library Installment Purchase, Series 2008 Bonds
On September 25, 2008 the County entered into an agreement with Newton County Public Library to purchase Library Bonds, Library Installment Purchase Series 2008. Bonds consisted of total principal value of $3,460,000 with a coupon rate of 3.490%. Payment dates range from June 1, 2009 to December 1, 2015. Total interest for the six year bonds will total $524,000.23 with total debt service amounting to $3,984,000.23. The bonds are subject to federal arbitrage regulations.

Georgia Perimeter College – Newton Campus Project, Series 2005 Bonds
On December 29, 2005, Newton County entered into a Memorandum of Understanding with the Newton County Industrial Development Authority for Revenue Bonds (Georgia Perimeter College – Newton Campus Project) Series 2005 with a total principal value of $2,550,000. Payments of interest shall be made on the first business day of each month, commencing February 1, 2006 with a regular interest rate of 5.15%. This bond is issued to assist GPC Foundation Real Estate Newton, LLC, a Georgia limited liability company, the sole member of which is Georgia Perimeter College Foundation, Inc., a Georgia nonprofit corporation to (a) finance or reimburse, in whole or in part, the cost of the acquisition, construction, and improvement of certain land, buildings, and personal property to be used as an academic building containing classrooms, faculty and administrative offices, laboratories, and a student center and related parking located on the Newton County campus of Georgia Perimeter College and (b) pay the costs of issuing the Bonds.

Joint Venture
$3,375,000 Four County Industrial Development Authority As discussed in Note 10, the County is contractually obligated to purchase the Four County Industrial Site. Temporary financing was issued until permanent financing was obtained. The $3,375,000 amount represents the County's 37.5% interest in the property and underlying debt. The permanent financing provided for annual principal payments varying from $150,000 to $262,500 through the year 2020 at .0022% basis point interest rate.

Georgia Environmental Facilities Authority - The Authority has borrowed funds from the Georgia Environmental Facilities Authority for further improvements to the technology park. The Authority obligation will be paid by each member of the Authority according to their respective share. The County's obligation will be in quarterly payments of principal and interest of $11,733.

Capital Leases
The County has entered into various lease-purchase agreements in the General Fund to finance acquisition of machinery, equipment, and vehicles. The leases are for periods of two to five years at interest rates ranging from 3.625% to 5.87%. The leases qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date.

Governmental Activities

	Historical Cost	Accumulated Depreciation
Assets under capital lease as of June 30, 2012	$ 1,879,614	$ 124,444

Future mimimum lease payments at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	
2013	$ 551,352
2014	551,352
2015	302,241
2016	172,912
2017	64,966
Total minimum lease payments	1,642,823
Less: Interest portion of minimum lease payments	(85,485)
Present value of minimum lease payments	$ 1,557,338

Note 6: Long-term Obligations, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	June 30, 2011	Increases	Decreases	June 30, 2012	Due within one year
Governmental activities:					
General obligation bonds	$ 5,475,000	$ -	$ 5,475,000	$ -	$ -
COPS 2003	3,805,000	3,425,000	3,805,000	3,425,000	355,000
COPS 2006	9,200,000	-	1,100,000	8,100,000	395,000
GEFA notes payable	760,345	-	121,782	638,563	127,792
2008 Library bonds	2,570,000	-	480,000	2,090,000	495,000
Georgia Perimeter College	1,801,410	-	140,123	1,661,287	164,986
Four County Joint Industrial Development Authority:					
Bonds	2,100,000	-	150,000	1,950,000	187,500
GEFA notes payable	134,190	-	9,574	124,616	10,027
Capital lease obligations	271,678	1,569,934	284,275	1,557,337	551,352
Compensated absences	1,511,138	939,183	377,785	2,072,536	200,000
	$ 27,628,761	$ 5,934,117	$ 11,943,539	$ 21,619,339	$ 2,486,657

Governmental activities incurred a total of $848,436 of interest costs for the year ended June 30, 2012. Compensated absences have typically been liquidated in prior years through the general fund.

Enterprise Activities:

Notes Payable

Georgia Environmental Facilities Authority - The County has borrowed funds from the Georgia Environmental Facilities Authority for landfill equipment. The Solid Waste Fund obligation will be paid in quarterly payments of principal and interest of $12,240. A new loan was obtained in 2012 for expansion of the landfill. That obligation will be paid in monthly installments of principal and interest of $23,841.

Project	Interest Rate %	Interest Date	Date of Note	Maturity Date	Borrowed	Retired	Outstanding
Solid Waste Fund							
93-10-SW	4.80%	Quarterly	10/1/1998	3/1/2012	$ 634,445	$ 634,445	$ -
2010-L09-SW	3.81%	Quarterly	5/1/2012	5/1/2032	$ 4,000,000	$ 11,140	$ 3,988,860

Bonds Payable

Series 2004 Water Revenue Bonds – The County issued serial revenue bonds with a par value of $37,490,000 during the year ended June 30, 2005. The revenue bonds are secured by net revenues produced through the operation of the County's wholesale water system. The County issued the bonds in order to finance a current refunding of the County's outstanding GEFA notes, an advanced refunding of the County's outstanding Series 1996 and 1998 Revenue Bonds, and the construction of the Bear Creek Reservoir. The serial bonds accrue interest at rates varying from 2.35% to 5.25% and mature between July 1, 2005 and July 1, 2024 and are callable at par as of July 1, 2014. Interest on the bonds is payable semiannually in installments ranging from $55,250 to $778,365. Principal is payable annually in installments ranging from $1,843,440 to $2,655,250. The bonds are subject to federal arbitrage regulations. The bonds were issued at a premium of $1,558,897 which is being amortized straight-line over the life of the bonds.

Note 6: Long-term Obligations, continued

The County placed $12,543,049 into an irrevocable trust for the purpose of generating sufficient assets to allow the trust to make all of the debt service payments for the $11,395,000 still outstanding, at the time of the refunding, on the Series 1996 and 1998 Revenue Bonds. Accordingly, these bonds are considered to be defeased, and the bonds have been removed from the balance sheet of the water fund. The difference between the assets placed into the irrevocable trust and the outstanding balance of the bonds plus the net book value of the bonds' deferred issuance costs resulted in a total deferred loss on refunding of $1,235,315. This deferred loss is being amortized straight-line over the remaining life of the refunded bonds, as this period is shorter than the life of the new bonds. The County completed the advanced refunding in order to take advantage of lower interest rates and to manage the County's cash flow to allow it to expand the water system. The following schedule provides information about the remaining outstanding balance of the refunded bonds as of June 30, 2010:

Issued	Purpose	Interest Rate (%)	Interest Date	Date of Bonds	Maturity Date	Authorized and Issued	Retired	Outstanding
12/31/1996	Water Improvement	5.25%	Semi-Annually	1/1/1997	7/1/2017	$ 8,170,000	$ 4,700,000	$ 3,470,000
12/31/1998	Water Improvement	5.35%	Semi-Annually	1/1/1999	6/30/2017	6,405,000	4,070,000	2,335,000
						$ 14,575,000	$ 8,770,000	$ 5,805,000

The County is required to maintain a "Debt Service Coverage", as defined in the Series 2004 & 2010 Revenue Bonds, of 1.15. The County did comply with this requirement.

Capital Leases

The County has entered into various lease-purchase agreements in the Solid Waste Fund to finance the acquisition of machinery, equipment, and vehicles. The leases are for periods of two to four years at interest rates ranging from 4.20% to 6.18%. The leases qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments at their inception dates.

Enterprise Activities

	Historical Cost	Accumulated Depreciation
Assets under capital lease as of June 30, 2012	$ 962,595	$ 67,704

Future mimimum lease payments at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	
2013	$ 106,066
2014	106,066
2015	195,136
2016	51,329
2017	16,021
Total minimum lease payments	474,618
Less: Interest portion of minimum lease payments	(41,076)
Present value of minimum lease payments	$ 433,542

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2012 are as follows:

Governmental Activities

Year Ending	General Obligation Bonds		COPS - Jail Pods		COPS - Admin Bldg.		GEFA	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ -	$ -	$ 355,000	$ 61,053	$ 395,000	$ 344,456	$ 127,793	$ 29,649
2014	-	-	485,000	53,157	410,000	329,157	134,038	23,404
2015	-	-	500,000	43,898	425,000	312,765	140,588	16,853
2016	-	-	505,000	34,451	445,000	294,252	147,459	9,983
2017	-	-	515,000	24,863	465,000	272,615	88,707	2,777
2018-2022	-	-	1,065,000	20,069	2,665,000	1,021,999	-	-
2023-2027	-	-	-	-	3,295,000	373,926	-	-
2028-2032	-	-	-	-	-	-	-	-
	$ -	$ -	$ 3,425,000	$ 237,491	$ 8,100,000	$ 2,949,170	$ 638,585	$ 82,666

Joint Venture

					Four County Industrial Development Authority			
Year Ending	Library Bonds		Georgia Perimeter		Notes Payable		GEFA	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 495,000	$ 64,303	$ 164,986	$ 80,675	$ 187,500	$ 83,655	$ 10,026	$ 5,618
2014	515,000	46,679	173,687	71,975	187,500	75,205	10,501	5,144
2015	530,000	28,443	182,846	62,816	187,500	66,755	10,998	4,647
2016	550,000	9,598	192,488	53,174	187,500	58,305	11,518	4,126
2017	-	-	202,638	43,023	1,200,000	149,565	12,063	3,581
2018-2022	-	-	744,642	63,060	-	-	69,437	8,787
2023-2027	-	-	-	-	-	-	-	-
	$ 2,090,000	$ 149,023	$ 1,661,287	$ 374,723	$ 1,950,000	$ 433,485	$ 124,543	$ 31,903

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2012 are as follows:

Enterprise Activities

Year Ending June 30,	Water Fund Revenue Bonds 2004 Principal	Water Fund Revenue Bonds 2004 Interest	Water Fund Revenue Bonds 2010 Principal	Water Fund Revenue Bonds 2010 Interest	Solid Waste Fund GEFA Principal	Solid Waste Fund GEFA Interest
2013	$ 1,715,000	$ 1,238,457	$ 255,000	$ 80,205	$ 136,479	$ 149,609
2014	1,775,000	1,182,869	265,000	71,872	141,770	144,317
2015	1,840,000	1,114,956	275,000	63,218	147,267	138,820
2016	1,905,000	1,035,662	285,000	53,885	152,977	133,110
2017	1,985,000	943,332	290,000	45,030	158,908	127,179
2018-2022	11,225,000	3,151,238	1,260,000	82,368	891,880	889,336
2023-2027	7,435,000	520,875	-	-	1,078,719	351,718
2028-2032	-	-	-	-	1,280,860	125,738
	$ 27,880,000	$ 9,187,389	$ 2,630,000	$ 396,578	$ 3,988,860	$ 2,059,827

Note 6: Long-term Obligations, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2011 are as follows:

Enterprise Activities:	**June 30, 2011**	**Increases**	**Decreases**	**June 30, 2012**	**Due within one year**
Revenue Bonds:					
2004 bonds	$ 29,530,000	$ -	$ 1,650,000	$ 27,880,000	$ 1,715,000
2010 bonds	2,875,000	-	245,000	2,630,000	255,000
Notes payable:					
Solid Waste Fund-GEFA	3,681,240	366,357	58,737	3,988,860	136,479
Capial lease obligations:					
Solid Waste Fund	88,947	487,272	142,676	433,543	106,066
Landfill postclosure	4,155,636	253,494	-	4,409,130	74,031
	$ 40,330,823	$ 1,107,123	$ 2,096,413	$ 39,341,533	$ 2,286,576

The Cornish Creek Water fund incurred total interest costs of $1,470,805 of which all was expensed. The Solid Waste fund incurred $165,973 of interest costs, of which $123,901 was capitalized and $42,072 was expensed. The total interest incurred for Business-type Activities was $1,636,778, of which $1,512,877 was expensed.

Component Units:
The changes in long-term obligations of the Newton County Water and Sewer Authority are as follows:

	June 30, 2011	**Increases**	**Decreases**	**June 30, 2012**	**Due within one year**
Notes & Revenue bonds	$ 14,377,000	$ -	$ 1,771,000	$ 12,606,000	$ 1,831,000

The annual debt service requirements for the Newton County Water and Sewer Authority are as follows:

Fiscal Year End	Principal	Interest
2013	$ 1,831,000	$ 451,465
2014	1,908,000	379,535
2015	1,983,000	304,665
2016	2,060,000	226,885
2017	2,140,000	146,073
2018-2021	2,684,000	78,765
	$ 12,606,000	$ 1,587,388

Of the amounts listed above, the Newton County Board of Commissioners has issued a guarantee of the following debts of the Newton County Water and Sewerage Authority:

	Amount Guaranteed
$10,000,000 Series 2003A Revenue Bonds due in annual principal Installments ranging from $60,000 to $1,525,000 through November 1, 2017; interest at 3.8% is payable semiannually on May 1, and November 1; the Series 2003A Bonds are subordinate to the Authority's Series 1979 and 1981 Bonds.	$ 8,295,000

Note 6: Long-term Obligations, continued

The changes in long-term liabilities for the Newton County Industrial Development Authority are as follows:

	December 31, 2011	Increases	Decreases	December 31, 2012	Due within one year
Notes & Revenue bonds	$ 340,865	$ -	$ 340,865	$ -	$ -

Of the amounts listed above the Newton County Board of Commissioners has issued a guarantee to pay one-half of the following debt of the Newton County Industrial Development Authority. The City of Covington has guaranteed the other one-half of the debt payments.

Note 7: Retirement Benefits

Defined Benefit Pension Plan

The County provides a defined benefit retirement program for its employees.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Newton County Employees (The Plan). The Plan, through execution of an adoption agreement, is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan. The County has the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan.

Complete financial statements for The Plan can be obtained directly from the plan administrator at:
GEBCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation up to $10,000 plus 1.5% of average annual compensation in excess of **$**10,000 plus $36 for each year of service, up to 35 years of service, payable as a life annuity. Service Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Plan Asset Mix and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in cash value of death benefits.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Note 7: Retirement Benefits, continued
Defined Benefit Pension Plan, continued

Plan Membership

Retirees and beneficiaries receiving benefits	70
Terminated plan members entitled to but not receiving benefits	72
Disabled and in Pay Status	3
Active plan members	49
Total	194

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the employer and its plan members.

As of the year beginning January 1, 2011 (the most recent actuarial valuation date), the County's total covered payroll for employees was $2,466,378. The required contribution for the plan year is $225,073, which represents 9.0% of covered payroll.

Annual Pension Cost

The County's required and actual employer contribution was $225,073 for the 2011 Plan Year.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation for the year beginning January 1, 2010. Additional information as of the latest actuarial valuation follows.

Valuation date	January 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Amortization period	10 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	5.0%-7.5% based on age
Includes inflation at	3.0%

Net Pension Obligation

The components of the County's annual pension cost that reconcile the beginning net pension obligation to the ending net pension obligation is as follows:

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
1/1/2011	$ 225,073	N/A	N/A	$ (21,265)
1/1/2010	$ 192,140	$ 192,024	100%	$ (21,381)
1/1/2009	174,438	149,072	85%	(46,747)
1/1/2008	102,349	121,409	119%	(27,687)

Note 7: Retirement Benefits, continued
Defined Benefit Pension Plan, continued

Net Pension Obligation - beginning	$ (21,381)
Annual Required Contribution (ARC)	192,140
Contribution to Plan	(192,024)
Net Pension Obligation - ending	$ (21,265)

The County has provided assets to fund the obligations caused by its defined benefit pension plan as follows:

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
12/31/2010	4,107,779	6,004,983	1,897,204	68.4%	2,486,665	76.3%

The required supplementary information immediately following the notes to the financial statements contains multiyear trend information about whether plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Defined Contribution Plan

Plan Description
The Newton County Money Purchase 401 (a) Plan is a defined contribution plan established by the county and administered by Nationwide Insurance in Ohio, with statements provided to employees by GEBCorp. The Plan was established to provide benefits at retirement to Newton County employees. The County is required to contribute 4.0% of the employee's compensation and will contribute an additional 50% of the amount the employee contributes to the 457 Plan. Employees are not required to contribute to the plan. Employer contributions are held in a 401(a) plan administered by GEBCorp. Employees are eligible to join and participate immediately upon employment.

Participants are then fully vested in the County's contributions after five years of service. They are fully vested immediately in their contributions to the plan. Total contributions for the fiscal year ended June 30, 2012 were $1,085,567. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Other Retirement Plans

Tax Commissioners Employees Retirement Plan
Employees of the Newton County Tax Commissioners office are covered under the Employees Retirement System of Georgia. Presently a monthly contribution is made to this pension from the General fund.

Extension Service Employees Retirement Plan
Employees of the Newton County Agricultural Extension Service are covered under the Teachers Retirement System of Georgia. At present, a contribution to their pension fund is made by the General Fund.

Probate Judge's Retirement Fund of Georgia
The Probate Judge is covered under a pension plan that requires certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before payment of any costs or other claims.

Clerk of Superior Court Retirement Fund
The Clerk of Superior Court is covered under a pension plan which requires certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Note 7: Retirement Benefits, continued

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund
The Sheriff and deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before payment of any costs or other claims.

Note 8: Risk Management

The County is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance. Effective July 1, 2010, the County established a self-funded trust for the administration and funding of the County's Workers' Compensation Employee Benefits internal service fund. The Government has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

Changes in the balances for the worker's compensation insurance plan of claim liabilities during the past 2 years are as follows:

	FYE 2011	FYE 2012
Unpaid Claims, beginning of year	$ 55,227	$ 27,878
Incurred Claims	181,686	(178,223)
Claim Payments	(209,035)	205,572
Unpaid Claims, end of year	$ 27,878	55,227

In the aforementioned plans, expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The County is responsible for determining the contributions to the trusts, which is established with an independent fiduciary (trustee) that will hold and manage these contributions.

The fund is 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 worker's compensation law of Georgia. The fund is 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.

Settled claims in the past three years have not exceeded the coverages.

Note 9: Commitments and Contingencies

Commitments

The County had no material construction commitments as of year end. The County did report encumbered amounts as assigned in the General fund of $175,000.

Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Note 9: Commitments and Contingencies

Litigation

The County is a defendant in several lawsuits which arose in the ordinary course of its activities. The County records liabilities resulting from such claims and litigation only when they become probable and measurable. County management and legal counsel believe that any lawsuits that the County is a defendant in are without merit. Accordingly, the County has recorded no liability related to any lawsuits.

Note 10: Joint Ventures

Northeast Georgia Regional Commission (RC)

Newton County, Georgia, along with cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia, Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. RC Board membership includes the chief elected official of each county and a municipal representative from each county. The County Board members and municipal Council members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines RDC's as “public agencies and instrumentalities of their members”. Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (OCGA 50-8-39.1)

Complete financial statements of the Northeast Georgia Regional Development Center can be obtained directly from the RC's administrative office:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

Four County Industrial Development Authority

During the latter half of 1998, the Four County Industrial Development Authority, a joint venture, was formed for the purpose of purchasing and developing an industrial site. The land was purchased through the Newton County Development Authority with temporary financing from Newton County until such time as the Joint Authority could issue permanent bond financing for the project. The Joint Authority issued $9,000,000 in bonded debt in October 2000 for repayment of the Newton County Development Authority, pay bond issue costs, and to provide initial development costs. The stated percentages of ownership and debt assumption are as follows: Newton County 37.5%, Walton County 37.5%, Morgan County 15%, and Jasper County 10%. The debt will amortize from 2001 and continue through 2020. The County recorded the land investment and resultant long-term debt on its books in the 2000-2001 fiscal year. The Development Authority’s activities have principally been limited to making debt service payments and holding the industrial site that was purchased and marketing the site to potential buyers. Because of the limited operations that the Development Authority has engaged in thus far, any accumulated financial resources or responsibilities that the County might benefit from or be responsible for are minimal. Complete financial statements of the Four County Industrial Development Authority can be obtained directly from:

Four County Industrial Development Authority
C/O Madison Chamber of Commerce
115 East Jefferson Street
Madison, GA 30650

Note 11: Landfill Closure and Post Closure Care Cost

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for a period of thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and postclosure care costs for the three landfills as of June 30, 2012 totaled $3,569,553 for the Municipal Solid Waste Landfill (MSWL-1) and Municipal Solid Waste Landfill (MSWL-2) sites, and $839,577 for the Construction and Demolition (C&D) site. These amounts are based on the estimated liability times management's estimate of the percentage of landfill capacity used at June 30, 2012 which is 100% of the MSWL-1 site, 54.00% of the MSWL-2 site, and 100.00% of the C&D site. The estimated life of the MSWL-2 site is 30 years. The County will recognize the remaining estimated cost of closure and postclosure care of $2,358,431 for the MSWL-2 site as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012.

However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The financial assurance requirements are being met through the proper maintenance of cash balances and financial ratios.

Note 12: Due From Other Governments

Business-type Activities

The Cornish Creek fund, which is included in the County's business-type activities, has amounts recorded as due from other governments that will not be collected within one year. These amounts result from the Walton County Board of Commissioners and the Walton County Water and Sewerage Authority (Walton Water and Sewer) purchasing part of the capacity of the Cornish Creek Reservoir. The County will collect the monies from three notes from Walton County and Walton Water and Sewer maturing in 2020 and 2021 and bearing interest rates between 5.5% and 6%. Two notes require monthly payments of $3,043 and $18,307. One note requires annual payments of $22,615.

As described in Note 6, the water fund has issued Series 2004 Water Revenue Bonds. A portion of this borrowing was used to increase the capacity of the County's water system. The County entered into an amendment of the original intergovernmental agreement that provides for Walton Water and Sewer to have the right to purchase 25% of the potable water produced by the County's water system at a reduced rate. The amendment to the intergovernmental agreement provides for Walton Water and Sewer to have the same right to purchase 25% of the water produced by the expansions of the water system that are financed through the Series 2004 Water Revenue Bonds. In exchange for this right, Walton Water and Sewer issued a note to Newton County with an original balance of $4,780,000. The 2004 note receivable accrues interest at rates between 2.8% and 5%. Interest and principal are receivable in monthly installments ranging between $12,174 and $37,483. Principal payments will begin July 2009.

Note 12: Due From Other Governments, continued

In 2012, the note held with the Walton Water and Sewer was paid off, leaving only interest and principal for notes receivable from Walton County due per the following schedule:

	Walton County	
	Principal	**Interest**
2012	$ 36,334	$ 22,804
2013	38,454	20,683
2014	40,698	18,439
2015	242,034	53,653
2016	55,347	1,666
2017-2021	-	-
2022-2025	-	-
	$ 412,867	$ 117,245

Note 13: Subsequent Events

After year end, in August 2012, the Board of Commissioners issued Water Revenue Refunding Bonds 2012 in order to refinance the 2004 Revenue Bonds described in Note 6. Also, in August 2012, the County entered into a loan agreement with the Georgia Environmental Finance Authority for $21,000,000 for construction of the Bear Creek Reservoir.

Required Supplementary Information

NEWTON COUNTY, GEORGIA
Required Supplementary Information
June 30, 2012

RETIREMENT PLAN

GASB 27 Required Supplementary Information-Schedule of Funding Progress

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
12/31/2010	4,107,779	6,004,983	1,897,204	68.4%	2,486,665	76.3%
12/31/2009	4,426,479	5,880,540	1,454,061	75.3%	2,870,967	50.6%
12/31/2008	4,580,318	5,726,539	1,146,221	80.0%	2,871,190	39.9%
12/31/2007	5,265,145	5,409,800	144,655	97.3%	3,395,719	4.3%
12/31/2006	5,224,191	4,992,277	(231,914)	104.6%	3,652,101	-6.4%
12/31/2005	4,997,972	4,765,446	(232,526)	104.9%	3,668,735	-6.3%
12/31/2004	4,668,694	4,644,703	(23,991)	100.5%	3,490,631	-0.7%
12/31/2003	4,700,519	4,853,476	152,957	96.8%	3,548,972	4.3%
12/31/2002	4,237,030	4,280,855	43,825	99.0%	3,451,413	1.3%
12/31/2001	4,620,992	4,615,431	(5,561)	100.1%	3,454,252	-0.2%

Combining and Individual Fund Statements and Schedules

Major Funds

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Chief Executive:		-		
Personal services	$ 1,533,764	$ 1,533,764	$ 1,118,404	$ 415,360
Purchased /Contracted Services	814,513	814,513	1,107,479	(292,966)
Supplies	24,050	24,050	24,204	(154)
Interfund Reimbursements	(177,963)	(177,963)	(18,593)	(159,370)
Other	262,000	42,410	5,280	37,130
Debt service	0	1,418,339	1,418,339	-
	2,456,364	3,655,113	3,655,113	-
Elections:				
Personal services	254,808	254,808	231,313	23,495
Purchased /Contracted Services	210,607	77,634	104,370	(26,736)
Supplies	6,600	6,600	3,359	3,241
	472,015	339,042	339,042	-
Data Processing:				
Personal services	252,256	252,256	237,273	14,983
Purchased /Contracted Services	202,862	205,512	196,459	9,053
Supplies	41,913	(3,354)	20,682	(24,036)
	497,031	454,414	454,414	-
Human Resources:				
Personal services	236,370	236,370	236,112	258
Purchased /Contracted Services	9,460	9,460	13,786	(4,326)
Supplies	1,710	4,507	439	4,068
	247,540	250,337	250,337	-
Tax Commissioner:				
Personal services	713,151	713,151	743,071	(29,920)
Purchased /Contracted Services	112,800	109,489	79,387	30,102
Supplies	11,100	13,300	13,482	(182)
	837,051	835,940	835,940	-
Tax Assessor:				
Personal services	732,037	732,037	721,620	10,417
Purchased /Contracted Services	109,561	71,781	87,618	(15,837)
Supplies	12,960	12,960	7,540	5,420
	854,558	816,778	816,778	-
General Government Buildings & Plant				
Personal services	201,592	201,592	195,714	5,878
Purchased /Contracted Services	213,589	147,589	147,022	567
Supplies	344,643	292,778	299,223	(6,445)
Capital outlay	-	-	-	-
	759,824	641,959	641,959	-
TOTAL GENERAL GOVERNMENT	6,124,383	6,993,583	6,993,583	-

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL				
Superior Court:				
Personal services	$ 294,689	$ 294,689	$ 332,954	$ (38,265)
Purchased /Contracted Services	395,260	395,260	391,539	3,721
Supplies	(32,618)	55,941	21,397	34,544
	657,331	745,890	745,890	-
Clerk of Courts:				
Personal services	715,165	715,165	681,939	33,226
Purchased /Contracted Services	249,365	135,235	172,575	(37,340)
Supplies	26,491	21,491	17,377	4,114
	991,021	871,891	871,891	-
District Attorney:				
Personal services	943,300	943,300	915,652	27,648
Purchased /Contracted Services	42,264	42,264	51,549	(9,285)
Supplies	18,246	18,246	25,712	(7,466)
Other	-	19,008	29,905	(10,897)
	1,003,810	1,022,818	1,022,818	-
Magistrate Court:				
Personal services	209,746	209,746	211,198	(1,452)
Purchased /Contracted Services	19,415	14,300	13,365	935
Supplies	7,000	7,000	6,483	517
	236,161	231,046	231,046	-
Probate Court:				
Personal services	375,239	375,239	370,727	4,512
Purchased /Contracted Services	43,810	31,076	35,128	(4,052)
Supplies	5,452	5,452	5,912	(460)
	424,501	411,767	411,767	-
Juvenile Court:				
Personal services	629,958	629,958	628,114	1,844
Purchased /Contracted Services	139,474	149,302	148,755	547
Supplies	15,217	15,665	18,056	(2,391)
	784,649	794,925	794,925	-
Public Defender:				
Personal services	352,588	352,588	348,159	4,429
Purchased /Contracted Services	24,755	15,815	16,309	(494)
Supplies	8,325	3,078	7,013	(3,935)
	385,668	371,481	371,481	-
TOTAL JUDICIAL	4,483,141	4,449,818	4,449,818	-

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Sheriff:				
Personal services	$ 7,506,855	$ 7,506,855	$ 7,475,219	$ 31,636
Purchased /Contracted Services	893,774	894,774	882,190	12,584
Supplies	912,713	907,813	1,052,574	(144,761)
Capital outlay	0	3,900	3,911	(11)
	9,313,342	9,313,342	9,413,894	(100,552)
Jail Operations:				
Personal services	4,558,919	4,558,919	4,991,374	(432,455)
Purchased /Contracted Services	1,890,278	1,915,278	2,193,936	(278,658)
Supplies	2,273,004	2,248,004	2,029,237	218,767
	8,722,201	8,722,201	9,214,547	(492,346)
Fire:				
Personal services	3,625,432	3,625,432	3,446,369	179,063
Purchased /Contracted Services	149,075	239,997	399,099	(159,102)
Supplies	41,500	41,500	297,310	(255,810)
	3,816,007	3,906,929	4,142,778	(235,849)
Coroner:				
Personal services	39,105	39,105	38,103	1,002
Purchased /Contracted Services	13,757	13,757	15,350	(1,593)
Supplies	4,669	5,360	4,769	591
	57,531	58,222	58,222	-
Other Protective Services:				
Personal services	506,039	506,039	544,055	(38,016)
Purchased /Contracted Services	52,222	73,362	51,505	21,857
Supplies	72,313	72,313	56,154	16,159
	630,574	651,714	651,714	-
TOTAL PUBLIC SAFETY	22,539,655	22,652,408	23,481,155	(828,747)
PUBLIC WORKS				
Public Works Administration:				
Personal services	1,726,944	1,726,944	1,653,789	73,155
Purchased /Contracted Services	584,695	642,718	595,477	47,241
Supplies	1,703,354	935,238	1,148,350	(213,112)
Capital outlay	92,716	92,716	0	92,716
	4,107,709	3,397,616	3,397,616	-
Traffic Engineering:				
Personal services	254,349	254,349	249,666	4,683
Purchased /Contracted Services	64,493	17,628	28,366	(10,738)
Supplies	11,868	15,873	10,418	5,455
Capital outlay	600	600	-	600
	331,310	288,450	288,450	-
Solid Waste Recycling:				
Personal services	62,828	62,828	97,098	(34,270)
Purchased /Contracted Services	6,465	6,465	1,737	4,728
Supplies	6,300	34,626	5,084	29,542
	75,593	103,919	103,919	-

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Maintenance & Shop:				
Personal services	$ 377,479	$ 377,479	$ 320,057	$ 57,422
Purchased /Contracted Services	109,001	70,101	21,190	48,911
Supplies	190,100	(70,028)	33,615	(103,643)
Capital outlay	14,000	24,904	27,594	(2,690)
	690,580	402,456	402,456	-
TOTAL PUBLIC WORKS	5,205,192	4,192,441	4,192,441	-
HEALTH & WELFARE				
Welfare:				
Personal services	-	-	(130)	130
Purchased /Contracted Services	-	-	132	(132)
Other Costs	718,935	718,935	718,934	1
TOTAL HEALTH & WELFARE	718,935	718,935	718,936	(1)
CULTURE & RECREATION				
Recreation:				
Personal services	-	-	(184)	184
Purchased /Contracted Services	-	-	185	(185)
Debt service	1,730,038	1,807,639	1,807,638	1
	1,730,038	1,807,639	1,807,639	-
Parks:				
Personal services	69,450	69,450	73,099	(3,649)
Purchased /Contracted Services	4,819	3,710	2,427	1,283
Supplies	9,344	9,344	6,978	2,366
	83,613	82,504	82,504	-
Libraries:				
Other Costs	916,452	916,452	916,452	-
	916,452	916,452	916,452	-
TOTAL CULTURE & RECREATION	2,730,103	2,806,595	2,806,595	-
HOUSING & DEVELOPMENT				
Water Resources:				
Personal services	-	-	(369)	369
Purchased /Contracted Services	-	-	62	(62)
Supplies	-	-	306	(306)
	-	-	(1)	1
Conservation:				
Personal services	29,175	29,175	33,634	(4,459)
Purchased /Contracted Services	49,046	48,796	48,230	566
Supplies	1,700	5,318	1,425	3,893
	79,921	83,289	83,289	-

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2012

	Final Budget	Final Budget	Actual	Variance with Final Budget
Planning & Zoning:				
Personal services	786,477	786,477	762,868	23,609
Purchased /Contracted Services	158,122	134,682	161,477	(26,795)
Supplies	13,350	13,350	10,164	3,186
	957,949	934,509	934,509	-
Economic Development:				
Other Costs	120,500	128,450	128,450	-
	120,500	128,450	128,450	-
TOTAL HOUSING & DEVELOPMENT	1,158,370	1,146,248	1,146,247	1
GRAND TOTAL	$ 42,959,779	$ 42,960,028	$ 43,788,775	$ (828,747)

NEWTON COUNTY, GEORGIA
2005 SPLOST Capital Project Fund
Comparative Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Prior Years	Current Year	Total To Date
REVENUES				
Taxes	$ 58,800,000	$ 37,991,722	$ -	$ 37,991,722
Intergovernmental	-	241,491	-	241,491
Interest	-	3,102,362	29,732	3,132,094
Miscellaneous	-	2,840	-	2,840
Total Revenues	58,800,000	41,338,415	29,732	41,368,147
EXPENDITURES				
Personal services	-	48,236	-	48,236
Purchased/contracted services	-	8,217,942	-	8,217,942
Supplies	-	431,798	-	431,798
Intergovernmental	-	961,047	-	961,047
Capital outlay	55,200,000	32,871,685	669,986	33,541,671
Debt service	42,500,000	17,321,710	5,598,625	22,920,335
Total Expenditures	97,700,000	59,852,418	6,268,611	66,121,029
Excess of revenues over (under) expenditures	(38,900,000)	(18,514,003)	(6,238,879)	(24,752,882)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds & capital leases	38,900,000	44,901,029	319,934	45,220,963
Transfers in	-	171,474	-	171,474
Transfers (out)	-	-	-	-
Total other financing sources (uses)	38,900,000	45,072,503	319,934	45,392,437
Excess of revenues and other sources over (under) expenditures and other uses	$ -	$ 26,558,500	(5,918,945)	$ 20,639,555
Fund balance - beginning			19,491,499	
Fund balance - ending			$ 13,572,554	

NEWTON COUNTY, GEORGIA
2011 SPLOST Capital Project Fund
Comparative Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Prior Year	Current Year	Total To Date
REVENUES				
Taxes	$ 57,600,000	$ -	$ 10,850,655	$ 10,850,655
Interest	-	-	2,336	2,336
Total Revenues	57,600,000	-	10,852,991	10,852,991
EXPENDITURES				
Current:				
General government	-	-	-	-
Intergovernmental	16,619,140		1,905,375	
Capital outlay	32,480,860	-	2,669,235	2,669,235
Debt Service	8,500,000	-	256,609	256,609
Total Expenditures	57,600,000	-	4,831,219	2,925,844
Excess of revenues over (under) expenditures	-	-	6,021,772	7,927,147
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds & capital leases	-	-	1,250,000	1,250,000
Transfers (out)	-	-	(1,937,526)	(1,937,526)
Total other financing sources (uses)	-	-	(687,526)	(687,526)
Excess of revenues and other sources over (under) expenditures and other uses	$ -	$ -	5,334,246	$ 7,239,621
Fund balance - beginning			-	
Fund balance - ending			$ 5,334,246	

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Fire Districts – This fund accounts for the tax revenues approved to help fund the fire protection program of the county.

DARE – This fund is used to account for the collection of DARE fine monies and the subsequent youth education for the Drug Abuse Resistance Education program.

Juvenile Supplemental Services – This fund accounts for certain fines received through juvenile court that are used for juvenile counseling services.

Forfeited Drug – This fund is used to account for the government's share of monies that have been forfeited through the court system that are legally restricted for law enforcement purposes.

Seized Drug – This fund is used to account for monies that have been seized and are awaiting court condemnation.

County Jail Fund – This fund is used to account for the percentage of fines reserved for county jail construction and staffing.

District Attorney – This fund accounts for funds received from certain fines and grants for the operation of a victim assistance program.

Law Library – This fund provides for the operation and maintenance of the County's Law Library.

Real Estate Grant – This fund accounts for grants received from the Clerk's Authority of Georgia for the advancement of reporting within the Clerk of Superior Court.

Emergency 911 – This fund is used to account for the fee collection and the operation of the Emergency 911 system within the County.

Inmate Welfare - This fund is used to account for monies for inmates at the Law Enforcement center.

Multiple Grant – This fund is used to account for various grants received by the government that are not used for general fund operations.

NSP Fund – This fund is used to account for the grant funds received and expended on the Neighborhood Stabilization Program.

Capital Projects Fund

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

1995 SPLOST – This fund is used to account for taxes collected and amounts expended under the County's 1995 SPLOST program.

Capital Improvement Fund – This fund is used to account for amounts that used for various specific capital projects of the County.

Impact Fee Fund – This fund is used to account for amounts that are collected in relation to building permits in the county to fund approved impact fee projects.

FEMA Grant – This fund is used to account for the monies that are received and expended from FEMA for disaster relief.

Debt Service Fund

Debt Service funds are used to account for the accumulation and distribution of money needed to comply with the interest and principal redemption requirements of the governmental fund type debt.

NEWTON COUNTY, GEORGIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 3,698,584	$ 43,897	$ 5,795,620	$ 9,538,101
Investments	-	1,574,326	181,621	1,755,947
Taxes receivable	59,374	-	-	59,374
Due from other funds	2,768,519	272,205	596,169	3,636,893
Due from other governments	113,479	602,981	-	716,460
Due from others	223,734	-	391,248	614,982
Inventory	8,333	-	-	8,333
Prepaid items	107,351	-	-	107,351
Total assets	$ 6,979,374	$ 2,493,409	$ 6,964,658	$ 16,437,441
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 238,222	$ -	$ 607,393	$ 845,615
Due to other funds	374,870	95,221	-	470,091
Due to other governments	352,966	-	3,624	356,590
Due to others	164,932	-	-	164,932
Deferred revenue	11,958	-	-	11,958
Total liabilities	1,142,948	95,221	611,017	1,849,186
Fund Balance:				
Nonspendable - Prepaid & inventory	167,959	-	-	167,959
Restricted:				
General Government	105,500	-	-	105,500
Judicial	351,884	-	-	351,884
Public Safety	5,253,364	-	-	5,253,364
Public Works	(43,710)	-	-	(43,710)
Culture & recreation	11,990	-	-	11,990
Health & welfare	(10,561)	-	-	(10,561)
Debt Service	-	2,398,188	-	2,398,188
Capital projects	-	-	6,353,641	6,353,641
Total fund balances	5,836,426	2,398,188	6,353,641	14,588,255
Total liabilities and fund balances	$ 6,979,374	$ 2,493,409	$ 6,964,658	$ 16,437,441

NEWTON COUNTY, GEORGIA
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 2,822,374	$ -	$ -	$ 2,822,374
Intergovernmental	712,555	-	976,433	1,688,988
Charges for services	-	-	36,515	36,515
Fines and forfeitures	504,124	-	-	504,124
Investment income	8,375	181	12,551	21,107
Miscellaneous	101,224	-	100	101,324
Total revenues	4,148,652	181	1,025,599	5,174,432
EXPENDITURES				
Current:				
General government	15,409	-	3,643	19,052
Judicial	457,802	-	-	457,802
Public safety	3,755,622	-	-	3,755,622
Public works	10,370	-	-	10,370
Health and welfare	158,091	-	-	158,091
Culture and recreation	6,772	-	-	6,772
Housing and development	52,260	-	-	52,260
Debt Service:				
Principal	-	2,066,378	-	2,066,378
Interest	-	606,652	-	606,652
Capital outlay	-	-	1,919,984	1,919,984
Total expenditures	4,456,326	2,673,030	1,923,627	9,052,983
Excess of revenues over (under) expenditures	(307,674)	(2,672,849)	(898,028)	(3,878,551)
Other financing sources (uses)				
Proceeds from debt	-	3,425,000	-	3,425,000
Payment to refunding escrow agent	-	(3,429,914)	-	(3,429,914)
Discount on bonds	-	-	-	-
Transfers in	27,115	2,411,934	679,146	3,118,195
Transfers (out)	(35,370)	-	-	(35,370)
Total other financing sources (uses)	(8,255)	2,407,020	679,146	3,077,911
Net change in fund balance	(315,929)	(265,829)	(218,882)	(800,640)
Fund balance - beginning	6,152,353	2,664,017	6,572,523	15,388,893
Fund balance - ending	$ 5,836,424	$ 2,398,188	$ 6,353,641	$ 14,588,253

Exhibit 6

NEWTON COUNTY, GEORGIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2012

ASSETS	Fire Districts	Drug Rehab/ Education	Juvenile Trust	Forfeited Funds	Seized Funds	County Jail Fund	District Attorney
Cash	$ 2,430,758	$ 32,659	$ 97,094	$ 127,426	$ 164,932	$ 204,250	$ 91,048
Taxes receivable	59,374	-	-	-	-	-	-
Due from other funds	1,988,463	-	-	-	-	-	-
Due from others	-	4,250	6,293	-	-	9,192	-
Due from other governments	-	3,106	-	-	-	12,114	-
Inventory	8,333	-	-	-	-	-	-
Prepaid items	107,351	-	-	-	-	-	-
Total Assets	$ 4,594,279	$ 40,015	$ 103,387	$ 127,426	$ 164,932	$ 225,556	$ 91,048
LIABILITIES AND FUND BALANCE							
Accounts payable	$ 14,142	$ 829	$ 382	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	62,784	-
Due to other governments	-	-	-	-	-	-	-
Due to others	-	-	-	-	164,932	-	-
Deferred revenue	11,958	-	-	-	-	-	-
Total Liabilities	26,100	829	382	-	164,932	62,784	-
Fund Balance:							
Nonspendable:							
Prepaid & inventory	167,959	-	-	-	-	-	-
Restricted:							
General Government	-	-	-	-	-	-	-
Judicial	-	-	103,005	-	-	-	91,048
Public Safety	4,400,220	39,186	-	127,426	-	162,772	-
Public Works	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-	-
Total Fund Balance	4,568,179	39,186	103,005	127,426	-	162,772	91,048
Total Liabilities and Fund Balance	$ 4,594,279	$ 40,015	$ 103,387	$ 127,426	$ 164,932	$ 225,556	$ 91,048

ASSETS	Law Library	Real Estate Grant	E-911	Sheriff Special Revenue	Multiple Grant	NSP Grant	Totals
Cash	$ 105,999	$ 41,357	$ -	$ 21,812	$ 338,378	$ 42,871	$ 3,698,584
Taxes receivable	-	-	-	-	-	-	59,374
Due from other funds	-	-	780,056	-	-	-	2,768,519
Due from others	-	-	184,775	-	19,224	-	223,734
Due from other governments	-	-	1,560	-	96,699	-	113,479
Inventory	-	-	-	-	-	-	8,333
Prepaid items	-	-	-	-	-	-	107,351
Total Assets	$ 105,999	$ 41,357	$ 966,391	$ 21,812	$ 454,301	$ 42,871	$ 6,979,374
LIABILITIES AND FUND E							
Accounts payable	$ -	$ -	$ 141,237	$ -	$ 81,632	$ -	$ 238,222
Due to other funds	-	-	-	-	312,086	-	374,870
Due to other governments	-	-	352,966	-	-	-	352,966
Due to others	-	-	-	-	-	-	164,932
Deferred revenue	-	-	-	-	-	-	11,958
Total Liabilities	-	-	494,203	-	393,718	-	1,142,948
Fund Balance:							
Nonspendable:							
Prepaid & inventory	-	-	-	-	-	-	167,959
Restricted:							
General Government	-	-	-	-	62,629	42,871	105,500
Judicial	105,999	41,357	-	-	10,475		351,884
Public Safety	-	-	472,188	21,812	29,760	-	5,253,364
Public Works	-	-	-	-	(43,710)	-	(43,710)
Culture & recreation	-	-	-	-	11,990	-	11,990
Health & welfare	-	-	-	-	(10,561)	-	(10,561)
Total Fund Balance	105,999	41,357	472,188	21,812	60,583	42,871	5,836,426
Total Liabilities and Fund Balance	$ 105,999	$ 41,357	$ 966,391	$ 21,812	$ 454,301	$ 42,871	$ 6,979,374

Exhibit 7

NEWTON COUNTY, GEORGIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	Fire Districts	Drug Rehab/ Education	Juvenile Trust	Forfeited Funds	Seized Funds	County Jail Fund	District Attorney
REVENUES							
Taxes	$ 1,436,465	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines & forfeitures	-	77,835	26,321	71,039	-	198,497	85,518
Investment income	5,418	222	259	33	-	342	27
Miscellaneous	-	-	-	-	-	59,639	-
Total Revenues	1,441,883	78,057	26,580	71,072	-	258,478	85,545
EXPENDITURES							
General government	-	-	-	-	-	-	-
Judicial	-	-	24,563	-	-	-	111,141
Public safety	827,815	185,071	-	100,084	-	119,767	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Total Expenditures	827,815	185,071	24,563	100,084	-	119,767	111,141
Revenues over (under) expenditures	614,068	(107,014)	2,017	(29,012)	-	138,711	(25,596)
OTHER FINANCING SOURCES (USES)							
Transfer in	-	-	-	-	-	-	-
Transfer (out)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	614,068	(107,014)	2,017	(29,012)	-	138,711	(25,596)
Fund Balance - Beginning	3,954,109	146,200	100,988	156,438	-	24,061	116,644
Fund Balance - Ending	$ 4,568,177	$ 39,186	$ 103,005	$ 127,426	$ -	$ 162,772	$ 91,048

REVENUES	Law Library	Real Estate Grant	E-911	Sheriff Special Revenue	Multiple Grant	NSP Grant	Totals
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,436,465
Intergovernmental	-	6,007	-	-	620,047	86,501	712,555
Charges for services	-	-	1,385,909	-	-	-	1,385,909
Fines & forfeitures	44,914	-	-	-	-	-	504,124
Investment income	460	-	649	-	965	-	8,375
Miscellaneous	-	-	325	30,039	11,221	-	101,224
Total Revenues	45,374	6,007	1,386,883	30,039	632,233	86,501	4,148,652
EXPENDITURES							
General government	-	-	-	-	15,409	-	15,409
Judicial	59,612	1,015	-	-	261,471	-	457,802
Public safety	-	-	2,318,537	31,600	172,748	-	3,755,622
Public works	-	-	-	-	10,370	-	10,370
Health and welfare	-	-	-	-	158,091	-	158,091
Culture and recreation	-	-	-	-	6,772	-	6,772
Housing and development	-	-	-	-	44,000	8,260	52,260
Total Expenditures	59,612	1,015	2,318,537	31,600	668,861	8,260	4,456,326
Revenues over (under) expenditures	(14,238)	4,992	(931,654)	(1,561)	(36,628)	78,241	(307,674)
OTHER FINANCING SOUI							
Transfer in	-	-	-	-	27,115	-	27,115
Transfer (out)	-	-	-	-	-	(35,370)	(35,370)
	-	-	-	-	27,115.00	(35,370)	(8,255)
Revenues and other sources over (under) expenditures	(14,238)	4,992	(931,654)	(1,561)	(9,513)	42,871	(315,929)
Fund Balance - Beginning	120,237	36,365	1,403,842	23,373	70,096	-	6,152,353
Fund Balance - Ending	$ 105,999	$ 41,357	$ 472,188	$ 21,812	$ 60,583	$ 42,871.00	$ 5,836,424

NEWTON COUNTY, GEORGIA
Fire Districts Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 2,430,758
Taxes receivable	59,374
Inventory	8,333
Prepaid items	107,351
Due from other funds	1,988,463
Total Assets	$ 4,594,279
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 14,142
Due to other funds	-
Deferred revenue	11,958
Total Liabilities	26,100
Fund Balance-	
Nonspendable - Prepaid and inventory	167,959
Restricted - Public Safety	4,400,220
Total Liabilities and	
Total Liabilities and Fund Balance	$ 4,594,279

NEWTON COUNTY, GEORGIA
Fire Districts Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,500,000	$ 1,290,004	$ 1,436,465	$ 146,461
Interest			-	-
Intergovernmental	-	-	-	-
Interest	-	-	5,418	5,418
Other	-	-	-	-
Total Revenues	1,500,000	1,290,004	1,441,883	151,879
EXPENDITURES				
Public safety	1,500,000	1,608,549	827,815	780,734
Total Expenditures	1,500,000	1,608,549	827,815	780,734
Revenues under				
Revenues over (under) expenditures	-	(318,545)	614,068	932,613
Fund Balance - Beginning			3,954,111	
Fund Balance - Ending			$ 4,568,179	

NEWTON COUNTY, GEORGIA
Drug Rehab/Education Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 32,659
Accounts receivable	4,250
Due from other governments	3,106
Total Assets	$ 40,015
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 829
Total Liabilities	829
Fund Balance:	
Restricted - Public Safety	39,186
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 40,015

NEWTON COUNTY, GEORGIA
Drug Rehab/Education Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 80,000	$ 80,000	$ 77,835	$ (2,165)
Interest	-	-	222	222
Total Revenues	80,000	80,000	78,057	(1,943)
EXPENDITURES				
Public safety	80,000	190,000	185,071	4,929
Total Expenditures	80,000	190,000	185,071	4,929
Revenues over (under) expenditures	$ -	$ (110,000)	(107,014)	$ (107,014)
Fund Balance - Beginning			146,200	
Fund Balance - Ending			$ 39,186	

NEWTON COUNTY, GEORGIA
Juvenile Trust Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 97,094
Accounts receivable	6,293
Total Assets	$ 103,387
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 382
Total Liabilities	382
Fund Balance:	
Restricted - Judicial	103,005
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 103,387

NEWTON COUNTY, GEORGIA
Juvenile Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines & law enforcement	$ 25,000	$ 25,000	$ 26,321	$ 1,321
Interest	-	-	259	259
Total Revenues	25,000	25,000	26,580	1,580
EXPENDITURES				
Judicial	25,000	25,000	24,563	437
Total Expenditures	25,000	25,000	24,563	437
Revenues over (under) expenditures	$ -	$ -	2,017	$ 2,017
Fund Balance - Beginning			100,988	
Fund Balance - Ending			$ 103,005	

NEWTON COUNTY, GEORGIA
Forfeited Drug Seizure Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 127,426
Total Assets	$ 127,426
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Public Safety	$ 127,426
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 127,426

NEWTON COUNTY, GEORGIA
Forfeited Funds Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 100,000	$ 105,000	$ 71,039	$ (33,961)
Interest	-	-	33	33
Total Revenues	100,000	105,000	71,072	(33,928)
EXPENDITURES				
Public safety	100,000	105,000	100,084	4,916
Other	-	-	-	-
Total Expenditures	100,000	105,000	100,084	4,916
Revenues under expenditures	$ -	$ -	(29,012)	$ (29,012)
Fund Balance - Beginning			156,438	
Fund Balance - Ending			$ 127,426	

NEWTON COUNTY, GEORGIA
Seized Funds Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS		
Cash	$	164,932
Total Assets	$	164,932
LIABILITIES AND FUND BALANCE		
Due to others	$	164,932
Total Liabilities		164,932
Fund Balance:		
Restricted - Public Safety		-
Total Liabilities and Total Liabilities and Fund Balance	$	164,932

NEWTON COUNTY, GEORGIA
County Jail Fund Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 204,250
Due from others	9,192
Due from other governments	12,114
Total Assets	$ 225,556
LIABILITIES AND FUND BALANCE	
Accounts payable	$ -
Due to other funds	62,784
Total Liabilities	62,784
Fund Balance:	
Restricted - Public Safety	162,772
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 225,556

NEWTON COUNTY, GEORGIA
County Jail Fund Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 250,000	$ 250,000	$ 198,497	$ (51,503)
Interest	-	-	342	342
Other	-	-	59,639	59,639
Total Revenues	250,000	250,000	258,478	8,478
EXPENDITURES				
Current operations:				
Public safety	250,000	250,000	119,767	130,233
Total Expenditures	250,000	250,000	119,767	130,233
Revenues over (under) expenditures	$ 250,000	$ 250,000	$ 138,711	$ 138,711
Fund Balance - Beginning			24,061	
Fund Balance - Ending			$ 162,772	

NEWTON COUNTY, GEORGIA
District Attorney Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 91,048
Total Assets	$ 91,048
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 91,048
Unreserved	
Total Liabilities and	
Total Liabilities and Fund Balance	$ 91,048

NEWTON COUNTY, GEORGIA
District Attorney Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 100,000	$ 115,000	$ 85,518	$ (29,482)
Interest	-	-	27	27
Total Revenues	100,000	115,000	85,545	(29,455)
EXPENDITURES				
Judicial	100,000	115,000	111,141	3,859
Total Expenditures	100,000	115,000	111,141	3,859
Revenues over (under) expenditures	$ -	$ -	(25,596)	$ (25,596)
Fund Balance - Beginning			116,644	
Fund Balance - Ending			$ 91,048	

NEWTON COUNTY, GEORGIA
Law Library Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 105,999
Total Assets	$ 105,999
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 105,999
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 105,999

NEWTON COUNTY, GEORGIA
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 49,000	$ 59,000	$ 44,914	$ (14,086)
Interest	1,000	1,000	460	(540)
Total Revenues	50,000	60,000	45,374	(14,626)
EXPENDITURES				
Judicial	50,000	60,000	59,612	388
Total Expenditures	50,000	60,000	59,612	388
Revenues over (under) expenditures	$ -	$ -	(14,238)	$ (14,238)
Fund Balance - Beginning			120,237	
Fund Balance - Ending			$ 105,999	

NEWTON COUNTY, GEORGIA
Real Estate Grant Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 41,357
Total Assets	$ 41,357
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 41,357
Unreserved	
Total Liabilities and Total Liabilities and Fund Balance	$ 41,357

NEWTON COUNTY, GEORGIA
Real Estate Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 5,000	$ 5,000	$ 6,007	$ 1,007
Total Revenues	5,000	5,000	6,007	1,007
EXPENDITURES				
Judicial	5,000	5,000	1,015	3,985
Total Expenditures	5,000	5,000	1,015	3,985
Revenues over (under) expenditures	$ -	$ -	4,992	$ 4,992
Fund Balance - Beginning			36,365	
Fund Balance - Ending			$ 41,357	

NEWTON COUNTY, GEORGIA
E-911 Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS

Cash	$ -
Accounts receivable	184,775
Due from other governments	1,560
Due from other funds	780,056
Total Assets	$ 966,391

LIABILITIES AND FUND BALANCE

Accounts payable	$ 141,237
Due to other governments	352,966
Total Liabilities	494,203
Fund Balance:	
Restricted - Public Safety	472,188
Total Liabilities and Total Liabilities and Fund Balance	$ 966,391

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 1,500,000	$ 1,568,000	$ 1,385,909	$ (182,091)
Interest	2,000	2,000	649	(1,351)
Other	-	-	325	325
Total Revenues	1,502,000	1,570,000	1,386,883	(183,117)
EXPENDITURES				
Public safety	1,902,000	1,970,000	2,318,537	(348,537)
Total Expenditures	1,902,000	1,970,000	2,318,537	(348,537)
Revenues under expenditures	(400,000)	(400,000)	(931,654)	(531,654)
Other Financing Sources				
Transfers in	400,000	400,000	-	(400,000)
Revenues and other financing sources under expenditures	$ -	$ -	(931,654)	$ (931,654)
Fund Balance - Beginning			1,403,842	
Fund Balance - Ending			$ 472,188	

NEWTON COUNTY, GEORGIA
Sheriff Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 21,812
Total Assets	$ 21,812
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Public Safety	$ 21,812
Total Liabilities and Total Liabilities and Fund Balance	$ 21,812

NEWTON COUNTY, GEORGIA
Inmate Welfare Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Other	$ 50,000	$ 50,000	$ 30,039	$ (19,961)
Total Revenues	50,000	50,000	30,039	(19,961)
EXPENDITURES				
Public safety	50,000	50,000	31,600	18,400
Total Expenditures	50,000	50,000	31,600	18,400
Revenues over (under) expenditures	$ -	$ -	(1,561)	$ (1,561)
Fund Balance - Beginning			23,373	
Fund Balance - Ending			$ 21,812	

NEWTON COUNTY, GEORGIA
Multiple Grant Special Revenue Fund
Balance Sheet
June 30, 2012

ASSETS

Cash	$	338,378
Accounts receivable		19,224
Due from other governments		96,699
Due from other funds		-
Total Assets	$	454,301

LIABILITIES AND FUND BALANCE

Accounts payable	$	81,632
Due to other funds		312,086
Total Liabilities		393,718
Fund Balance:		
Restricted:		
General Government		62,629
Judicial		10,475
Public Safety		29,760
Public Works		(43,710)
Culture & recreation		11,990
Health & welfare		(10,561)
Total Liabilities and Fund Balance	$	454,301

NEWTON COUNTY, GEORGIA
Multiple Grant Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	$ 600,000	$ 680,000	$ 620,047	$ (59,953)
Other	-	-	11,221	11,221
Interest	-	-	965	965
Total Revenues	600,000	680,000	632,233	(47,767)
EXPENDITURES				
General	35,000	16,000	15,409	591
Judicial	135,000	265,000	261,471	3,529
Public safety	150,000	175,000	172,748	2,252
Public works	20,000	12,000	10,370	1,630
Health and welfare	120,000	160,000	158,091	1,909
Culture and recreation	100,000	7,000	6,772	228
Housing and development	40,000	45,000	44,000	1,000
Total Expenditures	600,000	680,000	668,861	11,139
Revenues over (under) expenditures	-	-	(36,628)	(36,628)
Other financing sources (uses):				
Transfers in	-	-	27,115	27,115
Transfers (out)			-	
	-	-	27,115	27,115
Revenues over expenditures and other financing sources	$ -	$ -	(9,513)	$ (9,513)
Fund Balance - Beginning			70,096	
Fund Balance - Ending			$ 60,583	

NEWTON COUNTY, GEORGIA
NSP Grant
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 42,871
Total Assets	$ 42,871
LIABILITIES AND FUND BALANCE	
Fund Balance	$ 42,871
Total Liabilities and Fund Balance	$ 42,871

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	$ 90,000	$ 90,000	$ 86,501	$ (3,499)
Total Revenues	90,000	90,000	86,501	(3,499)
EXPENDITURES				
Housing and development	90,000	90,000	8,260	81,740
Total Expenditures	90,000	90,000	8,260	81,740
Revenues over (under) expenditures	-	-	78,241	78,241
Other financing uses:				
Transfers (out)	-	-	(35,370)	(35,370)
Revenues over expenditures and other financing sources	$ -	$ -	42,871	$ 42,871
Fund Balance - Beginning			-	
Fund Balance - Ending			$ 42,871	

NEWTON COUNTY, GEORGIA
Capital Project Funds
Combining Balance Sheet
June 30, 2012

	1995 SPLOST Fund	Impact Fee Fund	Capital Improvement Fund	FEMA Grant Fund	Totals
ASSETS					
Cash	$ 20,692	$ 4,105,783	$ 1,626,969	$ 42,176	$ 5,795,620
Investments	-	-	181,621	-	181,621
Due from others	-	-	391,248	-	391,248
Due from other funds	-	-	588,494	7,675	596,169
Due from other governments	-	-	-	-	-
Total Assets	$ 20,692	$ 4,105,783	$ 2,788,332	$ 49,851	$ 6,964,658
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	$ -	$ -	$ 607,284	$ 109	$ 607,393
Due to other funds	-	-	-	-	-
Due to other governments	3,624	-	-	-	3,624
Total Liabilities	3,624	-	607,284	109	611,017
Fund Balance					
Restricted - Capital projects	17,068	4,105,783	2,181,048	49,742	6,353,641
Total Fund Balance	17,068	4,105,783	2,181,048	49,742	6,353,641
Total Liabilities and Fund Balance	$ 20,692	$ 4,105,783	$ 2,788,332	$ 49,851	$ 6,964,658

NEWTON COUNTY, GEORGIA
Capital Project Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Fiscal Year Ended June 30, 2012

	1995 SPLOST Fund	Impact Fee Fund	Capital Improvement Fund	FEMA Grant Fund	Totals
REVENUES					
Intergovernmental	$ -	$ -	$ 831,545	$ 144,888	$ 976,433
Impact fees	-	36,515	-	-	36,515
Interest	66	8,655	3,830	-	12,551
Miscellaneous	-	-	100	-	100
Total Revenues	66	45,170	835,475	144,888	1,025,599
EXPENDITURES					
Personal services	-	-	-	-	-
Purchased/contracted services	-	3,643	-	-	3,643
Intergovernmental	-	-	-	-	-
Capital outlay	-	-	1,186,484	172,323	1,358,807
Debt service	-	561,177	-	-	561,177
Total Expenditures	-	564,820	1,186,484	172,323	1,923,627
Excess of revenues over (under) expenditures	66	(519,650)	(351,009)	(27,435)	(898,028)
Other financing uses:					
Transfers in	-	-	623,864	55,282	679,146
Transfers (out)	-	-	-	-	-
Excess of revenues over (under) expenditures and other uses	66	(519,650)	272,855	27,847	(218,882)
Fund balance - beginning	17,002	4,625,433	1,908,193	21,895	6,572,523
Fund balance - ending	$ 17,068	$ 4,105,783	$ 2,181,048	$ 49,742	$ 6,353,641

NEWTON COUNTY, GEORGIA
1995 SPLOST Capital Project Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 20,692
Due from other funds	0
Total Assets	$ 20,692
LIABILITIES AND FUND BALANCE	
Liabilities	
Due to other governments	$ 3,624
Total Liabilities	$ 3,624
Fund Balance	
Restricted - Capital projects	17,068
Total Fund Balance	17,068
Total Liabilities and Fund Balance	$ 20,692

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Prior Year	Current Year	Total To Date
REVENUES				
Taxes	$ 28,000,000	$ 25,460,942	$ -	$ 25,460,942
Intergovernmental	-	4,628,130	-	4,628,130
Interest	-	20,441	66	20,507
Miscellaneous	3,629,983	138,912	-	138,912
Total Revenues	31,629,983	30,248,425	66	30,248,491
EXPENDITURES				
Capital outlay	31,629,983	30,407,674	-	30,407,674
Total Expenditures	31,629,983	30,407,674	-	30,407,674
Excess of revenues over (under) expenditures and other uses	$ -	$ (159,249)	66	$ (159,183)
Fund balance - beginning			17,002	
Fund balance - ending			$ 17,068	

NEWTON COUNTY, GEORGIA
Capital Improvement Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 1,626,969
Investments	181,621
Due from other funds	588,494
Due from other governments	-
Due from others	391,248
Total Assets	$ 2,788,332
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 607,284
Due to other funds	-
Total Liabilities	607,284
Fund Balance	
Restricted - Capital projects	2,181,048
Total Fund Balance	2,181,048
Total Liabilities and Fund Balance	$ 2,788,332

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Current Year
REVENUES		
Intergovernmental	$ 15,000	$ 831,545
Interest	-	3,830
Donations	-	100
Total Revenues	15,000	835,475
EXPENDITURES		
Capital outlay	1,215,000	1,186,484
Total Expenditures	1,215,000	1,186,484
Excess of revenues (under) expenditures	(1,200,000)	(351,009)
Other financing sources (uses):		
Transfers in	1,200,000	623,864
Transfers (out)	-	-
Excess of revenues under expenditures and other financing sources (uses)	$ -	272,855
Fund balance - beginning		1,908,193
Fund balance - ending		$ 2,181,048

NEWTON COUNTY, GEORGIA
Impact Fee Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 4,105,783
Total Assets	$ 4,105,783
LIABILITIES AND FUND BALANCE	
Liabilities	
Due to other funds	$ -
Total Liabilities	-
Fund Balance	
Restricted - Capital projects	4,105,783
Total Fund Balance	4,105,783
Total Liabilities and Fund Balance	$ 4,105,783

Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Current Year
REVENUES		
Charges for services	$ 250,000	$ 36,515
Interest	15,000	8,655
Total Revenues	265,000	45,170
EXPENDITURES		
Purchased/contracted services	-	3,643
Capital outlay	1,430,000	-
Debt service	570,000	561,177
Total Expenditures	2,000,000	564,820
Excess of revenues over (under) expenditures and other uses	$ (1,735,000)	$ (519,650)
Fund balance - beginning		4,625,433
Fund balance - ending		4,105,783

NEWTON COUNTY, GEORGIA
FEMA Grant
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 42,176
Due from other funds	7,675
Total Assets	$ 49,851
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ -
Due to other governments	109
Total Liabilities	$ 109
Fund Balance	
Restricted - Capital projects	49,742
Total Fund Balance	49,742
Total Liabilities and Fund Balance	$ 49,851

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2012

	Project Budget	Prior Year	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 607,289	$ 98,884	$ 144,888	$ 243,772
Total Revenues	607,289	98,884	144,888	243,772
EXPENDITURES				
Capital outlay	607,289	59,727	172,323	232,050
Total Expenditures	607,289	59,727	172,323	232,050
Other financing sources (uses):				
Transfers in	-	-	55,282	1,223,864
Transfers (out)	-	-	-	(600,000)
	-	-	55,282	623,864
Excess of revenues over (under) expenditures and other uses	$ -	$ 39,157	27,847	$ 11,722
Fund balance - beginning			21,895	
Fund balance - ending			$ 49,742	

NEWTON COUNTY, GEORGIA
Debt Service Fund
Balance Sheet
June 30, 2012

ASSETS	
Cash	$ 43,897
Investments	1,574,326
Due from other funds	272,205
Due from other governments	602,981
Total assets	$ 2,493,409
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ -
Due to other funds	95,221
Total liabilities	95,221
Fund Balance:	
Restricted - Debt Service	$ 2,398,188
Total liabilities and fund balances	$ 2,493,409

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental revenue	$ 1,000	$ 1,000	$ -	$ (1,000)
Interest income	50,000	50,000	181	(49,819)
Total Revenues	51,000	51,000	181	(50,819)
EXPENDITURES				
Economic development				
Principal payments	1,750,000	2,068,000	2,066,378	1,622
Interest payments	650,000	650,000	606,652	43,348
Total Expenditures	2,400,000	2,718,000	2,673,030	44,970
Excess of revenues over (under) expenditures	(2,349,000)	(2,667,000)	(2,672,849)	(5,849)
Other financing sources (uses):				
Proceeds from debt	-	-	3,425,000	3,425,000
Payment to refunding escrow agent			(3,429,914)	(3,429,914)
Transfers in	2,379,000	2,379,000	2,411,934	32,934
Total Other financing sources (uses)	2,379,000	2,379,000	2,407,020	28,020
Excess of revenues over (under) expenditure	$ 30,000	$ (288,000)	(265,829)	$ 22,171
Fund balance - beginning			2,664,017	
Fund balance - ending			$ 2,398,188	

Nonmajor Business-type Funds

Enterprise Fund

Gaither's Plantation Enterprise Fund – Established to account for operation and maintenance as well as rental of histories Gaither's Plantation located in the county.

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Gaither's Plantation Fund
ASSETS	
Current Assets	
Cash and cash equivalents	$ 24,140
Accounts receivable	6,000
Total current assets	30,140
Capital Assets,	
Being depreciated, net of depreciation	211,146
Net capital assets	211,146
Total noncurrent assets	211,146
Total assets	$ 241,286
LIABILITIES	
Current Liabilities	
Accounts payable	$ 1,124
Deposits	5,150
Due to other funds	0
Total current liabilities	6,274
Total liabilities	6,274
NET ASSETS	
Invested in capital assets, net of related debt	211,146
Unrestricted	23,866
Total net assets	$ 235,012

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Revenues Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Gaither's Plantation Fund
REVENUES	
Rental income	$ 17,450
Miscellaneous income	91
Total operating revenues	19,403
EXPENSES	
Purchased/Contracted services	14,167
Supplies	19,555
Depreciation & amortization	10,986
Total operating expenses	44,708
Operating income (loss)	(25,305)
Nonoperating revenues (expenses):	
Interest earned	79
Total non-operating revenues (expenses)	79
Income (loss) before Transfers	(25,226)
Other Financing Sources (uses):	
Transfers in	-
Total other financing sources (uses)	-
Net income	(25,226)
Net assets - beginning	260,238
Net assets - ending	$ 235,012

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Gaither's Plantation Fund
Cash flows from operating activities:	
Cash received from customers	$ 18,743
Cash payments for goods and services	(34,156)
Net cash provided by (used for) operating activities	(15,413)
Cash flows from non-capital financing:	
Repayment of loan other funds	(1,419)
Net cash from non-capital financing activities	(1,419)
Cash flows from investing activities:	
Interest received	79
Net cash provided by investing activities	79
Net increase (decrease) in cash & cash equivalents	(16,753)
Cash & cash equivalents, beginning	40,893
Cash & cash equivalents, ending	$ 24,140
Cash flows from operating activities:	
Operating income (loss)	$ (25,305)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	10,986
Changes in operating assets and liabilities:	
Customer deposits	(660)
Accounts payable	(434)
Net cash provided by (used for) operating activities	$ (15,413)

Fiduciary Funds

NEWTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
TAX COMMISSIONER				
Assets				
Cash	$ 180,019	$ 89,128,179	$ 89,089,555	$ 218,643
Receivables	5,605,516	103,587	1,334,158	4,374,945
	$ 5,785,535	$ 89,231,766	$ 90,423,713	$ 4,593,588
Liabilities				
Due to other governments	$ -	$ 59,619,424	$ 59,619,424	$ -
Due to others	5,785,535	135,071	1,327,019	4,593,588
	$ 5,785,535	$ 59,754,495	$ 60,946,442	$ 4,593,588
SHERIFF				
Assets				
Cash	$ 96,161	$ 973,869	$ 974,238	$ 95,792
Liabilities				
Due to others	$ 96,161	$ 973,869	$ 974,238	$ 95,792
CLERK OF SUPERIOR COURT				
Assets				
Cash	$ 366,297	$ 3,878,602	$ 3,689,611	$ 555,288
	$ 366,297	$ 3,878,602	$ 3,689,611	$ 555,288
Liabilities				
Due to other governments	$ -	$ 1,845,601	$ 1,845,601	$ -
Due to other funds	-	948,504	948,504	-
Due to others	366,297	1,084,497	895,506	555,288
	$ 366,297	$ 3,878,602	$ 3,689,611	$ 555,288
PROBATE COURT				
Assets				
Cash	$ 12,284	$ 1,018,686	$ 1,018,676	$ 12,294
	$ 12,284	$ 1,018,686	$ 1,018,676	$ 12,294
Liabilities				
Due to other funds	$ -	$ 824,842	$ 824,842	$ -
Due to other governments	-	193,834	193,834	-
Due to others	12,284	10	-	12,294
	$ 12,284	$ 1,018,686	$ 1,018,676	$ 12,294

NEWTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
MAGISTRATE COURT				
Assets				
Cash	$ 32,434	$ 1,079,794	$ 1,071,019	$ 41,209
	$ 32,434	$ 1,079,794	$ 1,071,019	$ 41,209
Liabilities				
Due to other funds	$ -	$ 570,801	$ 570,801	$ -
Due to other governments	-	126,261	126,261	-
Due to others	32,434	382,733	373,958	41,209
	$ 32,434	$ 1,079,795	$ 1,071,020	$ 41,209
JUVENILE COURT				
Assets				
Cash	$ -	$ 39,055	$ 39,055	$ -
	$ -	$ 39,055	$ 39,055	$ -
Liabilities				
Due to other funds	$ -	$ 35,095	$ 35,095	$ -
Due to other governments	-	-	-	-
Due to others	-	3,960	3,960	-
	$ -	$ 39,055	$ 39,055	$ -
TOTALS				
Assets				
Cash	$ 687,195	$ 92,841,846	$ 92,605,815	$ 923,226
Receivables	5,605,516	103,587	1,334,158	4,374,945
	$ 6,292,711	$ 92,945,433	$ 93,939,973	$ 5,298,171
Liabilities				
Due to other funds	$ -	$ 3,276,339	$ 3,276,339	$ -
Due to other governments	-	60,888,023	60,888,023	-
Due to others	6,292,711	2,580,140	3,574,681	5,298,171
	$ 6,292,711	$ 66,744,502	$ 67,739,042	$ 5,298,171

STATISTICAL SECTION

This part of Newton County, Georgia's Comprehensive Annual Financial Report presents detained 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

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Note: Unless otherwise noted, the information in the schedules is derived from the financial report for the relevant year. Information is presented only for those years for which information was available, due mostly to implementation of GASB 34 in 2003 or implementation of State of Georgia Uniform Chart of Accounts in 2001.

NEWTON COUNTY, GEORGIA
Net Assets By Component
Last Ten Fiscal Years

	Fiscal Year				
	2003	**2004**	**2005**	**2006**	**2007**
Governmental activities					
Invested in capital assets, net of related debt	$ 34,443,665	$ 54,442,871	$ 64,053,318	$ 68,403,950	$ 210,229,657
Restricted	25,491,668	13,251,719	17,691,839	39,206,729	45,692,277
Unrestricted	8,150,870	10,888,580	8,725,985	11,213,782	16,336,769
Total governmental activities net assets	$ 68,086,203	$ 78,583,170	$ 90,471,142	$ 118,824,461	$ 272,258,703
Business-Type activities					
Invested in capital assets, net of related debt	$ 21,544,995	$ 23,480,743	$ 23,361,117	$ 22,096,696	$ 22,291,496
Restricted	-	-	-	1,705,692	1,689,353
Unrestricted	1,281,655	2,447,149	6,886,765	7,602,060	8,462,662
Total Business-Type activities net assets	$ 22,826,650	$ 25,927,892	$ 30,247,882	$ 31,404,448	$ 32,443,511
Primary governmental activities					
Invested in capital assets, net of related debt	$ 55,988,660	$ 77,923,614	$ 87,414,435	$ 90,500,646	$ 232,521,153
Restricted	25,491,668	13,251,719	17,691,839	40,912,421	47,381,630
Unrestricted	9,432,525	13,335,729	15,612,750	18,815,842	24,799,431
Total primary government net assets	$ 90,912,853	$ 104,511,062	$ 120,719,024	$ 150,228,909	$ 304,702,214

Source: Newton County Financials

2008	2009	2010	2011	2012
$ 220,817,075	$ 224,550,879	$ 226,907,846	$ 229,429,752	$ 211,951,488
41,260,824	27,748,381	27,682,733	24,610,659	28,039,469
10,133,716	12,223,069	2,674,908	(920,756)	8,270,070
$ 272,211,615	$ 264,522,329	$ 257,265,487	$ 253,119,655	$ 248,261,027
$ 10,597,547	$ 25,267,253	$ 27,486,287	$ 28,509,295	$ 30,639,514
-	1,813,422	2,096,353	2,509,165	2,800,817
21,409,868	4,495,456	5,306,139	4,215,182	3,374,547
$ 32,007,415	$ 31,576,131	$ 34,888,779	$ 35,233,642	$ 36,814,878
$ 231,414,622	$ 249,818,132	$ 254,394,133	$ 257,939,047	$ 242,591,002
41,260,824	29,561,803	29,779,086	27,119,824	30,840,286
31,543,584	16,718,525	7,981,047	3,294,426	11,644,617
$ 304,219,030	$ 296,098,460	$ 292,154,266	$ 288,353,297	$ 285,075,905

NEWTON COUNTY, GEORGIA
Change in Net Assets
Last Ten Fiscal Years
Fiscal Year

	2003	2004	2005	2006
Expenses				
Governmental activities				
General Government	$ 5,002,647	$ 5,892,553	$ 6,317,127	$ 7,642,996
Judicial	3,623,991	4,092,049	3,906,924	4,452,606
Public Safety	12,148,907	15,665,238	18,026,705	21,336,932
Public Works	5,280,968	6,885,843	6,572,121	7,881,238
Health and Welfare	1,833,549	1,856,097	1,786,249	1,622,767
Culture and Recreation	2,787,111	3,123,449	3,715,989	2,855,180
Housing and Development	1,486,363	1,771,224	2,097,144	2,443,816
Interest and fiscal charges	2,025,966	1,683,245	1,924,373	1,417,499
Total governmental activities expenses	34,189,502	40,969,698	44,346,632	49,653,034
Business-Type activities				
Water	3,538,502	3,733,216	5,198,763	5,543,089
Special Facilities	60,442	62,094	57,653	56,194
Recreation	106,947	-	-	-
Solid Waste	2,143,611	2,287,218	2,740,954	2,678,292
Total business-type activities expenses	5,849,502	6,082,528	7,997,370	8,277,575
Total primary government expenses	$ 40,039,004	$ 47,052,226	$ 52,344,002	$ 57,930,609
Program Revenue				
Governmental activities				
Charges for Services:				
General Government	$ 1,927,422	$ 1,981,639	$ 2,790,899	$ 1,707,369
Judicial	2,186,547	2,243,738	2,205,118	2,539,912
Public Safety	1,474,583	1,786,132	2,408,575	3,940,426
Public Works	358,740	456,097	49,703	47,136
Health and Welfare	113,406	275,187	95,055	130,007
Culture and Recreation	4,078	24,112	4,355	1,540,769
Housing and Development	-	550	493,534	3,270,865
Operating Grants and contributions	1,334,443	615,883	921,055	852,563
Capital Grants and contribution	6,874,008	8,476,614	4,218,111	14,251,473
Total governmental activities program revenue	14,273,227	15,859,952	13,186,405	28,280,520
Business-type activities				
Charges for Services	5,167,084	5,800,034	6,251,038	7,639,712
Operating Grants and contributions	26,973	16,500	6,062	-
Capital Grants and contribution	-	-	4,397,385	-
Total business-type activities program revenue	5,194,057	5,816,534	10,654,485	7,639,712
Total primary government program revenue	$ 19,467,284	$ 21,676,486	$ 23,840,890	$ 35,920,232
Net (Expenses-Revenue)				
Governmental activities	$ 19,916,275	$ 25,109,746	$ 31,160,227	$ 21,372,514
Business-type activities	655,445	265,994	(2,657,115)	637,863
Total primary government net expense	$ 20,571,720	$ 25,375,740	$ 28,503,112	$ 22,010,377

Continued on next page

2007	2008	2009	2010	2011	2012
$ 7,203,748	$ 7,885,552	$ 9,597,133	$ 7,820,693	$ 7,176,209	$ 7,036,466
4,506,466	5,035,278	4,950,906	5,258,579	4,810,228	5,037,480
24,302,575	28,100,553	30,762,320	29,855,552	29,000,715	29,646,199
23,326,115	21,140,055	18,758,993	14,965,616	15,207,675	17,989,182
1,259,847	1,210,742	1,107,591	1,067,316	941,975	856,581
3,150,799	3,895,993	3,931,480	5,151,820	4,792,433	3,344,946
2,799,304	2,294,850	1,968,084	2,359,872	1,558,620	1,214,808
2,066,995	2,767,978	1,985,376	1,840,681	1,007,034	761,363
68,615,849	72,331,001	73,061,883	68,320,129	64,494,889	65,887,025
5,547,549	5,710,453	4,954,067	4,603,439	6,322,906	6,487,529
61,508	103,608	62,724	46,968	61,791	44,708
-	-	-	-	-	-
4,192,121	4,133,062	3,986,608	2,832,068	3,419,227	3,227,776
9,801,178	9,947,123	9,003,399	7,482,475	9,803,924	9,760,013
$ 78,417,027	$ 82,278,124	$ 82,065,282	$ 75,802,604	$ 74,298,813	$ 75,647,038
$ 1,251,571	$ 1,275,694	$ 1,479,348	$ 1,231,861	$ 1,032,524	$ 1,224,333
2,882,107	2,803,600	2,695,742	2,723,312	2,846,198	2,390,522
3,132,614	2,679,502	3,041,326	2,725,913	2,878,341	3,128,360
655,090	824,186	857,225	844,183	919,777	1,046,194
-	-	-	-	-	-
4,824	5,789	5,723	5,896	6,303	7,756
3,793,917	1,404,929	588,768	283,973	463,721	206,127
1,039,520	649,682	3,424,559	1,904,285	2,196,896	1,645,567
11,764,799	3,684,683	5,643,195	1,095,884	255,278	174,620
24,524,442	13,328,065	17,735,886	10,815,307	10,599,038	9,823,479
9,032,984	8,559,544	7,944,467	7,799,459	9,194,258	10,014,248
-	-	-	-	-	-
-	-	8,500	-	-	-
9,032,984	8,559,544	7,952,967	7,799,459	9,194,258	10,014,248
$ 33,557,426	$ 21,887,609	$ 25,688,853	$ 18,614,766	$ 19,793,296	$ 19,837,727
$ 44,091,407	$ 59,002,936	$ 55,325,997	$ 57,504,822	$ 53,895,851	$ 56,063,546
768,194	1,387,579	1,050,432	(316,984)	609,666	(254,235)
$ 44,859,601	$ 60,390,515	$ 56,376,429	$ 57,187,838	$ 54,505,517	$ 55,809,311

NEWTON COUNTY, GEORGIA
Change in Net Assets
Last Ten Fiscal Years
Fiscal Year

	2003	2004	2005	2006
General Revenue and Other Changes in Net Assets:				
Governmental activities:				
Property Tax	$ 19,889,090	$ 20,418,817	$ 22,323,920	$ 25,252,661
Sales Tax	13,590,107	14,325,573	15,499,386	16,781,671
Franchise Fees	151,752	160,930	183,385	211,882
Business Tax	1,888,160	2,066,708	2,598,015	2,777,222
Other Tax	317,948	1,363,680	1,226,364	1,627,113
Intergovernmental Revenue	242,499	609,231	218,163	579,943
Investment Earnings	665,021	357,238	515,370	2,141,990
Joint Venture Equity	-	-	-	680,834
Miscellaneous	131,717	265,064	319,384	311,462
Gain(loss) and other	(170,860)	114,348	(65,197)	49,363
Transfers	(665,189)	(2,678,062)	(405,194)	(918,721)
Total governmental activities	36,040,245	37,003,527	42,413,596	49,495,420
Business-type activities				
Investment Earnings	299,188	211,379	1,257,681	1,004,673
Gain(loss) and other	(13,236)	-	-	18,882
Transfers	665,189	2,678,062	405,194	770,876
Total business-type activities	951,141	2,889,441	1,662,875	1,794,431
Total primary government	$ 36,991,386	$ 39,892,968	$ 44,076,471	$ 51,289,851
Change in Net Assets				
Governmental activities	$ 16,123,970	$ 11,893,781	$ 11,253,369	$ 28,122,906
Business-type activities	295,696	2,623,447	4,319,990	1,156,568
Total primary government	$ 16,419,666	$ 14,517,228	$ 15,573,359	$ 29,279,474

Source: Newton County Financials
The governmental reporting of 9 years was due to implementation of the GASB 34 element.

2007	2008	2009	2010	2011	2012
$ 27,771,506	$ 32,065,418	$ 29,892,395	$ 29,206,096	$ 28,579,308	$ 26,221,203
19,252,918	18,261,189	15,504,707	16,662,197	16,510,540	18,506,632
239,928	3,264,277	3,423,152	3,525,758	3,433,638	4,655,317
2,910,394	-	-	-	-	-
1,521,574	1,040,674	619,703	491,438	376,272	374,493
1,015,802	915,306	132,842	1,942,075	936,616	1,102,877
3,137,592	2,718,509	643,660	270,505	78,010	44,911
217,211	257,714	589,940	44,185	73,854	21,703
131,393	1,112,156	300,190	736,759	298,005	1,008,317
794,422	33,109	308,813	-	16,008	19,454
(775,208)	(849,060)	(230,484)	(2,631,033)	(552,233)	(750,000)
56,217,532	58,819,292	51,184,918	50,247,980	49,750,018	51,204,907
1,025,368	925,091	425,370	364,631	322,494	384,528
-	296	(36,706)	-	79,802	192,473
781,889	849,060	230,484	2,631,033	552,233	750,000
1,807,257	1,774,447	619,148	2,995,664	954,529	1,327,001
$ 58,024,789	$ 60,593,739	$ 51,804,066	$ 53,243,644	$ 50,704,547	$ 52,531,908
$ 12,126,125	$ (183,644)	$ (4,141,079)	$ (7,256,842)	$ (4,145,833)	$ (4,858,639)
1,039,063	386,868	(431,284)	3,312,648	344,863	1,581,236
$ 13,165,188	$ 203,224	$ (4,572,363)	$ (3,944,194)	$ (3,800,970)	$ (3,277,403)

NEWTON COUNTY, GEORGIA
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Amounts expressed in thousands)

	Fiscal Year									
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011***	**2012**
General Fund										
Reserved	$ 580	$ 69	$ 2,592	$ 474	$ 549	$ 244	$ 589	$ 709	$ -	$ -
Unreserved	11,350	8,111	7,382	12,374	13,923	11,642	5,857	3,676	-	-
Nonspendable	-	-	-	-	-	-	-	-	524	352
Assigned	-	-	-	-	-	-	-	-	-	175
Unassigned	-	-	-	-	-	-	-	-	5,938	7,962
Total general fund	$ 11,930	$ 8,180	$ 9,974	$ 12,848	$ 14,472	$ 11,886	$ 6,446	$ 4,385	$ 6,462	$ 8,489
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 39	$ -	$ -
Unreserved, reported in:										
Special revenue funds	2,337	3,090	644	3,919	4,515	6,506	4,827	5,616	-	-
Capital projects funds	6,079	1,106	1,805	5,218	6,435	6,782	12,733	9,959	-	-
SPLOST fund	14,251	12,460	13,478	29,227	32,185	25,448	20,077	19,950	-	-
Debt service funds	2,310	2,036	1,897	1,748	2,600	2,525	2,708	2,810	-	-
Nonspendable	-	-	-	-	-	-	-	-	133	168
Restricted	-	-	-	-	-	-	-	-	34,747	33,327
Total all other governmental funds	$ 24,977	$ 18,692	$ 17,824	$ 40,113	$ 45,736	$ 41,261	$ 40,345	$ 38,374	$ 34,880	$ 33,495
Total Governmental Funds	$ 36,906	$ 26,872	$ 27,798	$ 52,960	$ 60,208	$ 53,147	$ 46,791	$ 42,759	$ 41,342	$ 41,984

Source: Newton County Financials
* Prior year amounts have not been restated for the implementation of GASB 54.

NEWTON COUNTY, GEORGIA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2003	**2004**	**2005**	**2006**
Revenue				
Taxes	$ 36,158,496	$ 37,817,000	$ 42,862,562	$ 48,394,915
Licenses. fees and permits	1,127,210	1,165,566	1,374,869	1,556,855
Intergovernmental	1,807,149	3,006,220	1,840,557	1,799,792
Charges for services	2,916,583	3,089,206	4,556,880	9,110,603
Fines and penalties	879,930	911,788	878,329	990,611
Investment earnings	720,712	1,152,130	699,997	1,940,764
Contribution and donation	1,423	898	692	941
Miscellaneous	441,896	370,868	272,719	353,948
Total revenue	44,053,399	47,513,676	52,486,605	64,148,429
Expenditure				
General government	4,846,782	5,673,108	6,298,502	9,346,203
Judicial	3,508,517	3,861,780	3,873,205	4,351,791
Public Safety	12,770,709	13,294,500	15,271,095	18,535,356
Public Works	5,282,738	9,440,474	7,956,485	7,056,462
Health and welfare	1,840,235	1,333,942	1,816,286	942,094
Culture and recreation	2,864,073	3,148,206	3,466,013	3,260,554
Housing and development	1,548,044	2,060,732	2,449,895	2,474,451
Intergovernmental	-	-	-	-
Capital outlay	18,711,269	7,555,189	856,804	8,228,127
Debt service				
Interest	2,243,238	1,670,368	1,422,972	1,257,116
Principal	5,281,582	7,178,716	7,965,772	14,890,131
Total expenditures	58,897,187	55,217,015	51,377,029	70,342,285
Excess of revenue over (under expenditures)	(14,843,788)	(7,703,339)	1,109,576	(6,193,856)
Other Financing Sources (Uses)				
Capital lease financing	243,206	1,097,528	192,000	4,829,205
Certificates of participation	6,180,000	-	-	-
Premium on debt issued	(42,561)	-	-	-
Issuance of debt	-	-	-	26,917,389
Payment to refunding agent	-	-	-	-
Proceeds from sale of assets		77,635	28,960	-
Transfers in	8,598,652	9,217,353	13,496,655	14,899,175
Transfers (out)	(9,263,842)	(12,723,151)	(13,901,849)	(15,519,900)
Total other financing sources (uses)	5,715,455	(2,330,635)	(184,234)	31,125,869
Net change in fund balance	$ (9,128,333)	$ (10,033,974)	$ 925,342	$ 24,932,013
Debt Service as a percentage of noncapital expenditures	18.73%	18.57%	18.58%	26.00%

Source: Newton County Financials

2007	2008	2009	2010	2011	2012
$ 53,309,413	$ 55,547,413	$ 50,393,166	$ 51,669,478	$ 51,228,233	$ 51,844,371
1,531,939	830,414	450,235	315,412	309,427	265,405
2,279,022	1,524,801	3,520,650	3,609,262	3,150,134	2,886,094
7,558,003	5,646,176	4,915,450	4,326,821	4,671,267	4,708,862
897,736	980,973	1,719,841	1,778,997	1,882,297	1,724,348
3,048,257	2,655,670	629,733	269,150	144,659	75,871
3,713	1,579	2,664	6,172	1,724	2,803
387,356	1,381,198	849,246	954,003	481,851	705,440
69,015,439	68,568,224	62,480,985	62,929,295	61,869,592	62,213,194
13,038,277	7,965,996	7,663,767	6,426,697	5,932,763	5,594,296
4,747,655	4,923,842	4,808,037	5,064,680	4,691,109	4,907,620
20,935,943	23,465,185	30,038,668	27,165,996	26,757,143	27,236,777
9,515,014	9,175,700	4,818,371	4,193,556	4,211,044	4,202,811
1,123,846	1,419,320	1,163,435	1,084,048	966,851	877,027
3,060,204	3,286,413	3,286,732	4,749,364	3,215,933	2,813,367
2,413,904	2,355,767	2,227,411	2,515,250	1,600,773	1,198,507
-	-	137,956	337,263	823,091	1,905,375
17,299,040	12,276,953	6,474,886	3,162,645	4,584,511	5,259,205
882,531	7,464,801	2,205,264	7,729,235	1,111,888	9,179,366
2,815,238	2,628,540	7,971,741	2,588,150	8,139,409	767,237
75,831,652	74,962,517	70,796,268	65,016,884	62,034,515	63,941,588
(6,816,213)	(6,394,293)	(8,315,283)	(2,087,589)	(164,923)	(1,728,394)
648,975	316,854	-	-	-	2,969,934
-	-	-	-	-	-
30,840	33,499	-	-	-	-
952,714	-	3,460,000	-	-	3,425,000
-	-	-	-	-	(3,429,914)
-	-	16,967	11,916	16,008	19,454
6,553,851	7,217,390	6,730,496	5,084,036	3,456,834	3,254,478
(7,335,740)	(8,066,449)	(6,960,980)	(7,041,927)	(4,724,655)	(3,868,196)
850,640	(498,706)	3,246,483	(1,945,975)	(1,251,813)	2,370,756
$ (5,965,573)	$ (6,892,999)	$ (5,068,800)	$ (4,033,564)	$ (1,416,736)	$ 642,362
6.32%	16.10%	15.82%	16.46%	15.23%	15.87%

NEWTON COUNTY, GEORGIA
Tax Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Tax Source: Property Tax	Sales and Use Tax	Occupancy Tax	Franchise Tax	Other Tax	Total Tax
2003	$ 19,889,090	$ 13,590,107	$ 1,888,160	$ 151,752	$ 317,948	$ 35,837,057
2004	20,418,817	14,325,573	2,066,708	160,930	1,363,680	38,335,708
2005	22,323,920	15,499,386	2,250,016	183,385	1,226,364	41,483,071
2006	25,252,661	16,781,671	2,777,222	211,882	1,627,113	46,650,549
2007	27,771,506	19,252,918	2,910,394	239,928	1,521,574	51,696,320
2008	32,065,418	18,261,189	3,068,495	195,782	1,040,674	54,631,558
2009	29,892,395	15,504,707	3,092,366	330,786	619,703	49,439,957
2010	29,206,096	16,662,197	3,021,314	504,444	491,438	49,885,489
2011	28,579,308	16,510,540	2,970,771	462,867	376,272	48,899,758
2012	26,221,203	18,506,632	4,183,467	471,850	374,493	49,757,645

Note: Sales and Use Tax includes Special and Local Option Sales Tax
Source: Newton County Financials

NEWTON COUNTY, GEORGIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

	Real Property			Personal Property				
Fiscal year	Residential Property 40% Value	Commercial Property 40% Value	Industrial Property 40% Value	Motor Vehicle 40% Value	Timber 100%	Less Tax-Exempt Property M&O	Estimated Actual Total Value	Total Taxable Assessed Value
2002	$ 994,546	$ 220,911	$ 312,278	$ 175,393	$ 1,436	$ 243,556	$ 4,244,847	$ 1,461,008
2003	1,163,538	254,743	312,963	188,452	1,975	273,009	4,781,465	1,648,662
2004	1,324,953	274,677	315,258	198,238	1,774	278,503	5,266,844	1,836,397
2005	1,550,206	290,860	319,003	209,083	2,044	314,209	5,904,484	2,056,987
2006	1,774,600	311,506	347,606	209,694	2,131	347,841	6,613,843	2,297,696
2007	1,978,584	324,943	384,805	203,169	953	367,636	7,231,130	2,524,818
2008	2,235,580	353,550	394,789	226,011	694	377,795	8,036,678	2,832,829
2009	2,399,543	331,213	380,948	236,559	711	393,619	8,372,440	2,955,355
2010	2,159,419	365,333	495,870	242,535	454	416,302	8,159,026	2,847,308
2011	1,802,018	356,503	353,312	217,739	355	362,772	6,821,322	2,367,155
2012	1,611,620	353,454	357,179	218,780	857	364,104	6,354,730	2,177,786

Source: Georgia Department of Revenue Property Tax Division - County Digest Section - Newton County
Source for 2005 - 2010 Newton County Tax Assessors Office
The county assesses property at approximately 40% of actual value.
Residential includes - Historical, Agricultural, Perferential,Conservation use, Mobile Homes,
Commercial includes - Utilities and Heavy Equipment

NEWTON COUNTY, GEORGIA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	State of Georgia	County Direct Rates General	Hospital	Emergency Medical Services	Fire Service	School District	Total
2003	0.250	9.730	1.033	0.000	0.924	18.210	30.147
2004	0.250	9.730	1.007	0.513	0.902	18.210	30.612
2005	0.250	9.730	1.200	0.496	0.863	18.210	30.749
2006	0.250	9.730	1.200	0.478	0.831	19.210	31.699
2007	0.250	9.730	1.200	0.466	0.815	19.210	31.671
2008	0.250	9.730	1.200	0.451	0.792	19.210	31.633
2009	0.250	9.730	1.200	0.451	0.792	19.210	31.633
2010	0.250	9.730	1.200	0.451	0.792	19.210	31.633
2011	0.250	10.910	1.200	0.451	0.792	21.000	34.603
2012	0.250	10.910	1.200	0.451	0.792	21.073	34.676

Source: Summary of Proposed operating budget for County
Amount shown for years that information was available

City and Town Rates

	Mansfield	Newborn	Oxford	Porterdale	Social Circle *	City of Covington
2003	5.338	4.000	4.581	7.755	21.490	6.790
2004	5.186	3.786	4.581	7.695	22.420	6.792
2005	5.283	3.843	4.581	9.695	22.417	8.790
2006	5.286	1.920	5.580	9.263	22.256	8.518
2007	5.280	1.920	5.538	8.899	23.524	8.513
2008	5.316	1.819	5.331	8.776	23.199	8.208
2009	5.316	1.799	5.510	9.156	23.180	8.208
2010	5.316	1.799	5.510	9.156	23.180	8.208
2011	5.580	1.935	6.280	17.518	23.460	8.208
2012	5.580	1.935	7.060	19.892	24.053	8.208

Source: Georgia Department of Revenue
Amount shown for years that information was available

* The City of Social Circle's tax rate includes the tax rate to fund the Social Circle City Board of Education

NEWTON COUNTY, GEORGIA
Ten Larget Taxpayers of the County
Ten Years Ago to Current

	2012			2003		
Komatsu Forklift USA **Taxpayer**	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total County Taxable Assessed**	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total County Taxable Assessed**
General Mills, Inc.	$ 41,908,852	1	1.42%	$ 37,435,904	1	2.97%
SKC Inc.	39,685,792	2	1.34%	12,682,369	8	1.01%
Pactive/Tenneco	33,803,348	3	1.14%	23,046,544	2	1.83%
Snapping Shoals EMC	22,459,560	4	0.76%			
C.R. Bard, Inc.	40,634,114	6	1.37%	8,523,165	3	0.68%
Nisshinbo	18,590,704	5	0.63%	3,946,646	4	0.31%
Firberco Inc./Fibervision Inc.	21,738,587	7	0.74%	12,526,769	6	0.99%
Georgia Power	15,534,480	8	0.53%			
Michelin	13,164,827	9	0.45%			
AT&T	12,303,120	10	0.42%			
Total	$ 178,228,740.0		6.03%	$ 48,043,124.0		3.82%

Note:
(1) Taxable assessed value included freeport exemption.
(2) Total assessed value for Tax Year 2012 2,177,786,714
(3) Total assessed value for tax year 2003 1,836,397,058

NEWTON COUNTY, GEORGIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year of Levy (1)	Total Tax Levy (2)	Current Tax Collection (3)	Percent of Levy Collected	Delinquent Tax Collection (2)	Total Tax Collections (2)	Percent of Total Tax Collections to Total Levy
2002	11,139,834	11,061,364	99.3%	69,484	11,130,848	99.9%
2003	$ 12,398,359	$ 12,044,291	97.1%	$ 342,537	$ 12,386,828	99.9%
2004	13,932,807	13,540,156	97.2%	375,887	13,916,043	99.9%
2005	15,882,283	15,427,882	97.1%	442,142	15,870,024	99.9%
2006	18,634,768	17,817,357	95.6%	812,270	18,629,627	100.0%
2007	20,886,936	20,528,262	98.3%	347,220	20,875,482	99.9%
2008	23,088,405	22,059,908	96.1%	972,257	23,032,165	97.8%
2009	24,058,178	22,817,304	94.8%	1,004,449	23,821,753	99.0%
2010	25,302,008	23,141,779	91.5%	1,784,230	24,926,009	98.5%
2011	23,398,585	22,506,797	96.2%	98,961	22,605,758	96.6%
2012	21,322,577	20,537,949	96.3%	858,283	20,958,882	98.3%

(1) Relates to prior calendar year's tax digest
(2) Information from Newton County Tax Commissioner
(3) Through June 30th of each year.

NEWTON COUNTY, GEORGIA
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Debt Limit 10% of Assessed Value (1)	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2003	$ 1,921,672,141	$ 192,167,214	$ 26,000,000	$166,167,214	13.53%
2004	2,114,897,993	211,489,799	20,000,000	191,489,799	9.46%
2005	2,371,196,984	237,119,698	13,000,000	224,119,698	5.48%
2006	2,645,536,530	264,553,653	25,700,000	238,853,653	9.71%
2007	2,892,452,326	289,245,233	25,700,000	263,545,233	8.89%
2008	3,214,671,432	321,467,143	25,700,000	295,767,143	7.99%
2009	3,348,975,554	334,897,555	25,700,000	309,197,555	7.67%
2010	3,263,610,581	326,361,058	25,700,000	300,661,058	7.87%
2011	2,365,756,439	236,575,644	25,700,000	210,875,644	10.86%
2012	2,177,786,714	217,778,671	-	217,778,671	0.00%

NEWTON COUNTY, GEORGIA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Direct Governmental					Direct Business-type				
Fiscal Year	General Obligation Bonds	Capital Leases and GEFA Notes	Certificate of Participation	Tax Anticipation Notes	Intergovern-mental Contacts	Revenue Bonds	Capital Leases and GEFA Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2003	$ 26,000,000	$ 4,175,923	$ 6,180,000	$ -	$ 3,150,000	$ 7,247,500	$ 5,423,753	$ 52,177,176	3.5%	$ 732.39
2004	20,000,000	4,230,372	6,180,000	2,200,000	3,037,500	11,395,000	5,079,720	52,122,592	3.3%	688.42
2005	13,000,000	3,569,117	6,180,000	-	2,925,000	37,490,000	587,662	63,751,779	3.9%	790.23
2006	25,700,000	7,375,656	5,800,000	-	2,812,500	36,020,000	622,652	78,330,808	4.6%	914.04
2007	25,700,000	7,333,857	18,615,000	-	2,700,000	37,075,463	274,574	91,698,894	5.1%	1,012.39
2008	20,865,000	7,219,523	17,280,000	-	2,550,000	33,495,000	846,589	82,256,112	4.4%	859.31
2009	15,890,000	5,498,701	15,905,000	-	5,860,000	32,370,000	641,534	76,165,235	3.9%	772.92
2010	10,765,000	3,882,352	14,480,000	-	5,285,000	34,010,000	315,652	68,738,004	3.4%	687.77
2011	5,475,000	1,039,077	13,005,000	-	18,792,123	32,405,000	47,596	70,763,796	3.1%	707.94
2012	-	2,195,900	11,525,000	-	5,825,903	30,510,000	4,422,403	54,479,206	2.6%	538.10

Note: See Demographic and Economic Statistics
Source: Newton County Financials
The governmental reporting of 9 years was due to implementation of the GASB 34 element.

NEWTON COUNTY, GEORGIA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2003	$ 26,000,000	1.58%	$ 365
2004	20,000,000	1.09%	264
2005	13,000,000	0.63%	161
2006	25,700,000	1.12%	300
2007	25,700,000	1.02%	284
2008	20,865,000	0.74%	218
2009	15,890,000	0.54%	161
2010	10,765,000	0.38%	108
2011	5,475,000	0.23%	55
2012	-	0.00%	-

Source: Newton County Financials

NEWTON COUNTY, GEORGIA
Direct and Overlapping Debt
Current Fiscal Year

Governmental Unit	Debt Outstanding
Direct	
Newton County	
General Obligation Bonds	$ -
Certificate of Participation	13,005,000
Impact Fee bonds	2,090,000
Capital Leases	1,557,337
Intergovernmental Contracts(1)	
Newton County Water and Sewerage Authority	12,606,000
Industrial Development Authority	-
Georgia Perimeter	1,661,287
GEFA Notes	638,563
Four County Industrial Development	2,074,616
Total Newton County	33,632,803
Overlapping	
Newton County Board of Education General Obligation Bonds	87,170,000
Total Overlapping	87,170,000
Cities and towns	
City of Covington	17,502,695
City of Oxford (Business activities only)	472,958
City of Porterdale (Business activities only)	2,098,461
Total cities and towns	20,074,114
Total Direct and Overlapping Debt	**$ 140,876,917**

(1) The above revenue bonds are secured by separate intergovernmental contracts with the respective Authorities, which contracts are general obligations of Newton to which its full faith and credit and taxing power are pledged. These obligations do not constitute debt of the County for purposes of the constitutional debt limit and do not count against the County's debt limitation. The revenue bonds issued by the Water and Sewerage Authority and have historically been paid from revenues of the respective enterprises and the County has never made payments under the related intergovernmental contracts.

NEWTON COUNTY, GEORGIA
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
				Debt Service		
Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenues	Principal	Interest	Coverage
2003	$ 3,849,030	$ 2,974,276	$ 874,754	$ 570,000	$ 669,293	70.58%
2004	4,274,678	3,211,593	1,063,085	600,000	639,716	85.75%
2005	4,445,880	3,649,351	796,529	518,910	-	153.50%
2006	5,538,021	4,167,103	1,370,918	1,470,000	1,534,680	45.63%
2007	5,928,243	4,326,573	1,601,670	1,320,000	1,492,830	56.94%
2008	5,293,265	4,622,928	670,337	1,205,000	1,454,955	25.20%
2009	5,028,027	4,200,844	827,183	1,125,000	1,436,880	32.29%
2010	5,645,586	3,922,035	1,723,551	1,235,000	1,385,742	65.77%
2011	6,957,743	4,829,637	2,128,106	1,605,000	1,388,227	71.10%
2012	8,024,855	5,009,496	3,015,359	1,895,000	1,429,283	90.71%

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

NEWTON COUNTY, GEORGIA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2003	71,242	$ 1,718,776	$ 22,458	5.7%
2004*	75,713	1,796,121	22,271	4.8%
2005*	80,675	1,876,946	22,778	5.7%
2006*	85,697	1,961,409	23,159	5.5%
2007*	90,577	2,049,672	23,576	5.2%
2008*	95,723	2,267,585	23,616	6.2%
2009*	98,542	2,104,000	**21,879	7.6%
2010*	99,944	2,200,784	**19,317	11.7%
2011*	99,958	2,200,785	22,158	12.2%
2012	101,243	2,603,987	25,830	10.3%

Note: *For Fiscal Years 2004 thru 2011 the numbers were estimated from Georgia Department of Labor Workforce_info@dol.state.ga.us

Note:** Per capita income is estimated by the inflation - adjusted dollars

Population is found on http://www.census.gov/popest/counties/counties.html

NEWTON COUNTY, GEORGIA
Full-time Equivalent County Government Employees by Function/Program.
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
General Government										
Management Services	6	5	5	5	6	5	4	4	4	5
Finance	5	7	9	9	9	9	8	9	7	5
Purchasing	2	2	3	3	3	3	3	0	0	0
Personnel	2	2	2	2	3	3	3	4	5	4
Data Processing/MIS	6	9	9	9	9	10	10	9	4	4
Tax Commissioners	14	14	14	15	14	16	16	16	15	15
Tax Assessors	15	15	16	16	16	16	15	15	12	12
Elections	2	3	3	5	5	6	4	4	4	3
Superior Court	2	2	2	2	2	3	2	2	2	2
Juvenile	10	10	9	11	12	12	12	12	11	11
Magistrate Court	3	3	3	3	6	6	4	4	4	4
Probate Court	5	6	6	6	6	6	5	5	6	6
Clerk of Superior Court	17	16	16	17	17	16	17	17	14	14
District Attorney	4	6	7	12	23	15	15	15	17	17
Public Defender	7	7	4	5	6	6	7	7	7	7
Maintenance	6	6	6	6	6	6	6	6	4	4
Sheriff										
Officers (including SRO)	74	76	78	78	90	111	126	126	122	114
Civilians	9	9	9	16	16	16	13	13	11	14
Detention										
Officers	33	58	84	85	86	95	96	96	82	84
Admin (Other)	1	10	14	15	15	15	21	21	17	20
Fire										
Firefighters and Officers	43	54	55	55	73	88	72	72	67	68
Civilians	3	3	5	5	8	9	8	6	6	7
Coroner	1	1	1	1	1	1	1	1	1	1
Emergency Management	1	1	1	2	2	2	2	2	2	2

NEWTON COUNTY, GEORGIA
Full-time Equivalent County Government Employees by Function/Program.
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Solid Waste Disposal & Recycling	17	18	18	18	20	19	19	18	17	18
Public Works	49	48	48	51	51	55	54	53	50	35
Fleet Maintenance	0	0	0	0	0	0	0	0	0	10
Water resources	0	0	0	0	0	11	12	8	11	10
Library	0	0	0	0	0	0	0	0	0	0
Animal Control	10	10	10	9	10	10	9	9	9	8
Engineering	2	5	5	4	6	5	5	5	4	4
Redevelopment	23	23	25	25	33	21	13	11	15	15
Parks and Recreation	20	23	23	24	24	25	21	21	24	23
TOTAL	392	452	490	514	578	621	603	591	554	546

Source: County's Payroll Office

NEWTON COUNTY, GEORGIA
Gallons used and Sales
Current Fiscal Year

Total number of customers **Nine**

Customers	FY 2012 Total Gallons	Total Sales
Alcovy	6,820	$ 15,959
City of Covington	1,086,138	2,170,104
Jasper	20,748	44,567
Mansfield	22,927	45,808
Newborn	21,762	43,480
Newton County Water & Sewer Authority	1,774,744	3,545,939
Oxford	65,590	131,049
Porterdale	47,160	95,488
	47,792	
Walton County	1,646,063	1,868,282
Total	4,739,744	$ 7,960,676

NEWTON COUNTY, GEORGIA
General Governmental Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Court Fees, Fines and Forfeitures	Interest	Contributions & Donations	Misc-ellaneous	
2003	$ 36,158,496	$ 1,127,210	$ 1,807,149	$ 2,916,583	$ 879,930	$ 720,712	$ 1,423	$ 441,896	$
2004	37,817,000	1,165,566	3,006,220	3,089,206	911,788	1,152,130	898	370,868	
2005	42,862,562	1,374,869	1,840,557	4,556,880	878,329	699,997	692	272,719	
2006	48,394,915	1,556,855	1,862,412	9,110,603	990,661	1,858,642	92,726	353,948	
2007	53,309,413	1,531,939	2,279,022	7,558,003	897,736	3,048,257	3,713	387,356	
2008	55,547,413	830,414	1,524,801	5,646,176	980,973	2,655,670	1,579	1,381,198	
2009	50,255,210	450,235	3,520,650	4,915,450	1,719,841	629,733	2,664	849,246	
2010	51,332,215	315,412	3,609,262	4,326,821	1,778,997	269,150	6,172	954,003	
2011	51,228,233	309,427	3,150,134	4,671,267	1,882,297	144,659	1,724	481,851	
2012	51,844,371	265,405	2,886,094	4,708,862	1,724,348	75,871	2,803	705,440	

NEWTON COUNTY, GEORGIA
Ten Year General Fund History

	2012	2011	2010	2009
REVENUES				
Taxes	$ 38,171,340	$ 38,438,426	$ 38,694,860	$ 38,034,490
Licenses and permits	265,405	309,427	315,412	450,235
Intergovernmental revenue	1,197,106	1,289,677	1,214,850	2,909,211
Charges for services	4,672,347	4,422,162	4,258,177	4,677,737
Fines and forfeitures	1,220,224	1,299,406	1,222,384	1,135,936
Investment income	22,696	36,880	31,489	126,666
Contributions and donations	2,803	1,724	4,172	2,664
Miscellaneous	604,116	429,527	711,739	420,865
Total revenues	46,156,037	46,227,229	46,453,083	47,757,804
EXPENDITURES				
Current:				
General government	5,575,244	5,898,209	6,407,641	7,622,258
Judicial	4,449,818	4,269,236	4,642,944	4,490,640
Public safety	23,481,155	23,016,748	23,511,104	25,420,722
Public works	4,192,441	4,194,099	4,164,861	4,534,044
Health and welfare	718,936	799,191	885,045	1,044,898
Culture and recreation	2,806,595	3,099,477	2,923,490	3,086,493
Housing and development	1,146,247	1,149,648	1,177,474	1,856,052
Debt service:				
Principal payments	1,400,000	-	-	-
Interest and fiscal charges	18,339	-	-	-
Total expenditures	43,788,775	42,426,608	43,712,559	48,055,107
Excess (deficiency) of revenues over (under) expenditures	2,367,262	3,800,621	2,740,524	(297,303)
OTHER FINANCING SOURCES (USES)				
Capital lease financing	1,400,000	-	-	-
Proceeds from sale of assets	19,454	16,008	11,916	16,967
Transfers in	136,283	600,000	190,000	496,801
Transfers (out)	(1,895,300)	(2,339,604)	(5,003,799)	(4,564,764)
Total other financing sources (uses)	(339,563)	(1,723,596)	(4,801,883)	(4,050,996)
Net change in fund balances	2,027,699	2,077,025	(2,061,359)	(4,348,299)
Fund balances - beginning	6,461,745	4,384,720	6,446,079	11,892,310
Prior period adjustment	-	-	-	(1,097,932)
Fund balance - beginning, as restated	6,461,745	4,384,720	6,446,079	10,794,378
Fund balances - ending	$ 8,489,444	$ 6,461,745	$ 4,384,720	$ 6,446,079

Source: Newton County Financials

2008	2007	2006	2005	2004	2003
$ 42,015,287	$ 39,328,667	$ 36,094,558	$ 31,567,581	$ 27,226,481	$ 26,444,413
830,414	1,531,939	1,556,855	1,374,869	1,165,566	1,127,210
278,086	396,955	392,414	336,890	1,814,369	861,863
4,971,009	5,279,025	5,839,738	4,063,346	3,089,206	2,916,583
507,244	428,599	581,622	449,695	432,120	435,731
649,382	886,910	494,641	206,435	138,676	189,976
1,579	3,713	941	692	898	1,423
880,264	280,940	231,921	114,330	221,290	104,815
50,133,265	48,136,748	45,192,690	38,113,838	34,088,606	32,082,014
7,876,458	6,219,576	7,220,173	6,208,693	5,547,045	4,799,183
4,584,046	4,230,170	3,848,623	3,448,655	3,409,617	3,215,262
23,389,416	20,880,168	18,532,599	15,266,189	13,055,192	10,566,952
4,832,884	4,799,879	3,965,303	3,796,242	3,931,634	3,411,630
1,093,940	1,112,786	939,639	1,041,645	1,092,201	1,346,296
3,144,585	2,986,100	2,875,320	2,797,432	2,479,103	2,448,618
1,989,601	2,401,404	2,408,633	2,084,472	1,990,030	1,548,044
-	-	-	226,079	594,403	-
-	-	20,533	46,669	46,135	-
46,910,930	42,630,083	39,810,823	34,916,076	32,145,360	27,335,985
3,222,335	5,506,665	5,381,867	3,197,762	1,943,246	4,746,029
148,577	179,025	-	192,000	540,658	243,205
33,499	952,714	45,558	28,960	77,635	-
(80,184)	9,131	103,169	2,200,000	-	-
(5,910,760)	(5,237,385)	(2,442,712)	(3,824,799)	(6,311,133)	(3,185,942)
(5,808,868)	(4,096,515)	(2,293,985)	(1,403,839)	(5,692,840)	(2,942,736)
(2,586,533)	1,410,150	3,087,882	1,793,923	(3,749,594)	1,803,292
14,472,148	13,061,998	9,974,116	8,180,192	11,929,786	10,126,494
-	-	-	-	-	-
-	-	-	-	-	-
$ 11,885,615	$ 14,472,148	$ 13,061,998	$ 9,974,115	$ 8,180,192	$ 11,929,786

NEWTON COUNTY, GEORGIA
Insurance Coverage in Force
Current Fiscal Year

General Liability	
General	
Each Occurrence	$ 1,000,000
Annual Aggregate	2,000,000
Deductible	10,000
Fire	
Each Occurrence	1,000,000
Annual Aggregate	2,000,000
Deductible	
Public Officials' Liability	
Each Occurrence	1,000,000
Annual Aggregate	1,000,000
Deductible	10,000
Commercial Automobile Liability	
Liability Limit	1,000,000
Deductible	5,000
Uninsured Motorist	300,000
Commercial Property	
Building & contents - General & Fire	129,809,865
Deductible	10,000
Deductible - Fire	500
Co-insurance	90%
Equipment & Inland Marine	
Limit	10,487,574
Employers Practices	
Each Occurrence	1,000,000
Annual Aggregate	1,000,000
Fire Departments	
Umbrella	3,000,000
Equipment	Blanket
Automobile liability	1,000,000
Employers practices	1,000,000

NEWTON COUNTY, GEORGIA
Miscellaneous Statistical Information
Current Fiscal Year

Newton County was created by legislative act December 24, 1821.

Form of Government – Five-member Board of Commissioners and Administrative Assistant.

2010 Population		99,944
Population gain since 2010 estimated		1.3%
Registered Voters		62,161
Total County Precinct		22
Area in Square Miles		276.4
Miles of Road:	Paved	932
	Unpaved	80

COMPLIANCE SECTION

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership

157 West Jefferson Street
Madison, Georgia 30650

1031 Park Drive, Suite #1
Watkinsville, GA 30677

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

To the Honorable Commissioners of Newton County, Georgia
Newton County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Newton County, Georgia, as of and for the year ended June 30, 2012, which collectively comprise Newton County, Georgia's basic financial statements and have issued our report thereon dated June 27, 2013. We did not audit the financial statements of the Newton County Health Department, the Newton County Water and Sewer Authority or the Newton County Library System. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements insofar as it relates to the amounts included for the Newton County Health Department, the Newton County Water and Sewer Authority and the Newton County Library System, is based on the report 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Newton County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Newton County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Newton County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2012-1, 2011-1, 2011-2, 2007-5, and 06-3.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. 2012-2, 2012-3, 2007-1.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of Newton County, Georgia in a separate letter dated June 27, 2013

Newton County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Newton County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Treadwell, Tamplin & Company, CPA's

Madison, Georgia
June 27, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Commissioners of Newton County, Georgia
Newton County, Georgia

Compliance

We have audited Newton County, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Newton County, Georgia's major federal programs for the year ended June 30, 2012. Newton County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Newton County, Georgia's management. Our responsibility is to express an opinion on Newton County, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Newton County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Newton County, Georgia's compliance with those requirements.

In our opinion, Newton County, Georgia, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of Newton County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Newton County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Newton County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be

deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Newton County, Georgia's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Newton County, Georgia's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Commissioner, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Treadwell, Tamplin & Company, CPA's

Madison, Georgia
June 27, 2013



NEWTON COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
US Dept. of Health and Human Services -Cluster			
Passed through:			
Georgia Department of Human Resources			
Community Services Block Grant	93.569	42700-04-00000099-74	$ 73,308
Community Services Block Grant		42700-93-07070694-99	76,258
			-
			149,566
Northeast Georgia Regional Development Center			
Special Programs for the Aging Title III, Part B	93.044	Cluster program	26,284
Special Programs for the Aging Title III, Part C	93.045	Cluster program	93,040
Nutrition Services Incentive Program	93.053	Cluster program	23,004
			142,328
Total US Dept. of Health and Human Services-Cluster			291,894
US Dept. of Health and Human Services			
Passed through:			
Georgia Department of Human Resources			
Promoting Safe and Stable Families	93.556	927-3372	29,465
Northeast Georgia Regional Development Center			
National Family Caregiver Support, Title III, Part E	93.052	427-93-09090185-99	3,333
Total US Dept. of Health and Human Services			32,798
US Dept. of Housing and Urban Development-Cluster			
Passed through:			
Georgia Department of Human Resources			
Community Development Block Grant			
Neighborhood Stabilization Program	14.228	08-ns-5068	$ 43,630
			43,630
US Dept. of Justice -			
Direct:			
Edward Byrne Memorial Justice Assistance			
Edward Byrne Grant	16.738	2010-DJ-BX-1283	$ 851
		2007-DX-BX-0917	2,583
			3,434
Public Safety Partnership & Community Policing Grant			
Community Policing Grant	16.710	2010-UM-WX-0088	60,649
ARRA-Grants to Units of Local Government (final reimbursement)	16.803	2009-SU-B9-003/066	50,883
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0151	2,674
		2010-H3626-GA-AP	6,946
			9,620
Total Direct:			124,586

NEWTON COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
Passed through:			
Edward Byrne Memorial Justice Assistance			
Georgia Department of Human Resources-	16.738	2011-DJ-BX-3128	25,771
Office of the Governor Criminal Justice Coordinating Council			
Juvenile Accountablity	16.523	JB-08ST-0002	10,754
		JB-09ST-0004	7,500
			18,254
Office of Justice Programs			
Governor's Office of Children & Families			
ERC Expansion	16.540	SC12-01-007	89,850
Governor's Office of Children & Families			
Juvenile Accountability - CLASS	16.523	2012	75,000
Total Passed Through:			208,875
Total US Dept. of Justice			333,461
US Department of the Interior			
Passed through:			
Georgia Department of Natural Resources			
Outdoor Recreation	15.916	2012	1,500
			1,500
US Department of Homeland Security			
Federal Emergency Management Agency			
Passed through Georgia Emergency Management			
Flood Disaster	97.036	Disaster 1858-82858003	28,112
		Disaster 1973-82858004	33,938
			62,050
Homeland Security Direct Program			
Emergency Food & Shelter Program	97.024	2012	9,000
Total US Department of Homeland Security			71,050
US Department of Transportation-Cluster			
Passed through:			
Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI#0008186	5,272
Total Federal Assistance			$ 779,605

NEWTON COUNTY, GEORGIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2012

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Newton County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unqualified*	
Internal control over financial reporting:		
Material weakness (es) identified?	X Yes	___ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	X Yes	___ None noted
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Internal Control over major programs:		
Material weakness (es) identified?	___ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	___ Yes	X None noted
Type of auditor's report issued on compliance for major programs:	*Unqualified*	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	___ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
16.710	DoJ - Public Safety Partnership & Community Policing Grants
16.523	DoJ – Juvenile Accountability Block Grant
16.738	DoJ - Edware Byrne Memorial Justice Assistance Grant
93.556	HHS - Promoting Safe & Stable Families

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as low-risk auditee?	X Yes	___ No

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2012

Section II—Findings Related to the Audit of the Financial Statements

Material Weakness

2012-1

Statement of Condition: During testing of cash balances and procedures, we found that bank statement reconciliations were not being preformed timely, nor was corrective action taken to resolve outstanding items.

Criteria: Reconciliations of bank statement to the general ledger should be performed on a regular timely basis, including corrective action taken on reconciling items.

Effect: The lag in the time that bank accounts are reconciled and balanced with the accounting records could result in improperly informed management decisions, as well as the missed opportunity for other financial benefits.

Cause: Controls were not in place to ensure that all bank accounts were timely reconciled and corrective action taken on reconciling items.

Recommendation: We recommend that all bank accounts be reconciled monthly to the general ledger and that all reconciling items be promptly investigated and adjusted with adequate explanations to responsible reviewing personnel.

Views of officials: Management concurs with the above finding, and will work to devise better internal controls over the bank account functions.

Prior Year - Material Weaknesses

2011-1

Statement of Condition: Purchase orders should be used for any purchases over $1000. Purchases of items less than $1000 should be accompanied by a purchase requisition from the County. We identified purchases that did not have official county purchase orders. For items less than $1000, we noted that currently a purchase requisition is being attached with what appears to be proper approval from that department, but the purchase requisition should come from finance department of the board of commissioners office.

Criteria: Proper purchasing procedures should be followed in accounts maintained by Sheriff's department.

Effect: The failure to utilize the centralized purchasing function causes a certain loss of control and efficiency. Lack of adherence to established policies could allow for unauthorized purchases because of inadequate approval documentation on purchase order requisition/quotes. There is also the potential for legal liability issues to occur. The opportunity for not accurately including all capital item purchases or not properly meeting all IRS reporting requirements is greatly increased by not centralizing such transactions with the personnel that understands the necessary requirements.

Cause: Controls were not in place to ensure that purchasing procedures were followed by elected offices.

Recommendation: We recommend the County provide additional training and understanding to provide the skills to set up proper controls to review, prevent and detect material misstatements.

Views of officials: Management concurs with the above finding, and will work with the affected offices to devise better internal controls over the accounting functions.

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2012

2011-2

Statement of Condition:	In the major funds there were several substantial non-routine adjusting entries required to correct balances at year end .
Criteria:	Management is responsible for the proper inclusion of all items that could have a material effect on the financial statements of the County.
Effect:	A control deficiency exists when the County does not have controls over the preparation of the financial statements that could prevent or detect a misstatement in the financial statements.
Cause:	Even though non-routine transactions are infrequent in nature, controls were not in place to ensure that such transactions are properly recorded either with assistance from outside inquiry or research.
Recommendation:	We recommend the County provide and encourage additional training to provide the skills to set up proper controls to review, prevent and detect material misstatements, and if necessary to seek outside assistance, and training to appropriate personnel regarding such necessary year end transactions.
Views of officials:	Management concurs with the above finding, and is in the process of completing a corrective action plan.

2007-5

Statement of Condition:	In the Debt Service Fund, the County failed to record accurately the activity related to receipts and disbursements in the fund.
Criteria:	Management is responsible for establishing controls to ensure that all debt service fund activity has been properly recorded in the financial records.
Effect:	A control deficiency exists when the County does not have controls in place to ensure that all debt service entries have been properly recorded in the financial records.
Cause:	Controls were not in place to ensure that all debt service activity has been accurately recorded in the financial records.
Recommendation:	We recommend the County provide additional training to provide the skills to set up proper controls to review, prevent and detect material misstatements.
Views of officials:	Management concurs with the above finding, and is in the process of completing a corrective action plan.

06-3 – Segregation of duties

Criteria:	To maintain an adequate segregation of duties, the County should have multiple persons involved in any accounting process. The same person should not be responsible for making deposits, reconciling the bank statement, preparing checks, and preparing reports.
Condition:	In planning and performing our audit and our consideration of the internal controls of Newton County, we found various offices that had only one person responsible for almost the entire accounting function. The following offices had a single person appointed to perform the accounting function: Juvenile Court, Probate Court, Magistrate Court and Clerk of Superior Court.
Effect:	The failure to segregate out the accounting duties among multiple persons presents the opportunity for misappropriation of assets, mainly cash.
Recommendation:	We recommend that for most offices someone other than the accounting clerk gather monies collected and compile, prepare and remit the deposits at a minimum of once a week if not daily. This person can document their procedures and submit to the accounting clerk for recording into the accounting systems of the various offices.
Views of officials:	Management concurs with the above finding, and will work with the effected offices to devise better internal controls over the accounting functions.

Significant Deficiency

2012-2

Statement of Condition:	During audit procedures of grants awarded to the County, we noted instances of insufficient accounting processes and procedures and reporting of various grant awards.
Criteria:	Due to the increased amount of grants awarded to the County, the requirements for various funding agencies, including the Federal Government, have also multiplied. These requirements are based on a cumulative effect of the grant spending across all County departments.
Effect:	Without proper grant procedures, the County could face loss or reduction of grant funding that has become vital to the County.
Cause:	Various departments are not aware of the effect that a single grant has on the requirements of the County as a whole.
Recommendation:	We recommend the County provide proper communication to all departments that all grants be coordinated with the Grant Coordinator in the finance office, to ensure proper County wide procedures, accounting, administration, compliance and reporting are maintained to ensure continued awarding of grant funds.
Views of officials:	Management concurs with the above finding, and will work with County departments to communicate the need for proper grant coordination.

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2012

2012-3

Statement of Condition: Certain checking accounts at the Sheriff's office were not properly classified with the banking institution as a public fund for inclusion in the collateral pool.

Criteria: All bank accounts within the county are required to be collateralized with the bank, and in in order to maintain the required legal amounts, the bank has to be notified to classify the account as a public fund, or order the receive the proper collateralization.

Effect: The county could be in violation of state law on collateralization if the balance in the account reached a high enough balance.

Cause: Personnel outside of the finance department are not aware of the governmental regulations regarding bank accounts.

Recommendation: We recommend that all departments by notified that they contact the finance department of any new bank accounts that are needed to be setup, to get proper instruction to convey to the bank when an account is created.

Views of officials: Management concurs with the above finding, and is in the process of completing a corrective action plan.

Prior Year
2007-1

Statement of Condition: At present, management is not preparing the financial statements, they are being assisted by auditors. The intent of SAS 115 is not to prevent auditors from preparing the client's financial statements. Instead, the issue to be considered when determining if a significant deficiency or material weakness exists is whether the client is capable of preparing the financial statements and has the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Criteria: Management is responsible for the financial statements, including the preparation of such statements. A system of internal control over financial reporting does not stop at the general ledger. It includes controls over financial statement preparation, including footnote disclosure.

Effect: A control deficiency exists when the County does not have controls over the preparation of the financial statements that could prevent or detect a misstatement in the financial statements.

Cause: The size of the County's accounting staff prevents them from having the time to prepare the financial statements. As a matter of convenience and efficiency, the auditors are preparing the financial statements. This is a condition found in most small governments in Georgia.

Recommendation: We recommend the County provide additional training to provide the skills to set up proper controls to review, prevent, and detect material misstatements.

Views of officials: Management concurs with the above finding, and is continuing to strive for additional education and training.

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2012

Section III—Findings and Questioned Costs - Major Federal Award Programs Audit
Compliance

There were no reported findings realted to federal awards.

NEWTON COUNTY, GEORGIA
Summary Schedule of Prior Audit Findings
June 30, 2012

There were no reported findings related to federal award in the prior year.

NEWTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2012

2011 SPLOST

Project	Original Estimated Cost	Other Estimated Funding Sources	Total Estimated Project Costs	Expenditures		
				Prior Years	Current Year	Total
Transportation/Roads	$ 17,280,860	$ -	$ 17,280,860	$ -	$ 1,381,553	$ 1,381,553
Detention Center	3,000,000	-	3,000,000	-	565,319	565,319
Administrative Building	5,000,000	-	5,000,000	-	1,372,207	1,372,207
Judicial Expansion	7,000,000	-	7,000,000	-	43,331	43,331
Recreation:						
Parks & Facilities	1,000,000	-	1,000,000	-	4,339	4,339
Miracle Field	1,500,000	-	1,500,000	-	-	-
District 4 Recreation	500,000	-	500,000	-	-	-
District 4 Multi-Use	545,000	-	545,000	-	-	-
Cemetery Land	55,000	-	55,000	-	-	-
Animal Control Facility	100,000	-	100,000	-	-	-
Juvenile Court	500,000	-	500,000	-	-	-
Historic Jail	1,200,000	-	1,200,000	-	-	-
Agricultural Center	1,100,000		1,100,000	-	-	
Fire Station #8	1,100,000	-	1,100,000	-	-	-
Emergency Room Expan	4,000,000	-	4,000,000	-	-	-
Landfill	500,000	-	500,000	-	-	-
Public Works	500,000	-	500,000	-	-	-
Fleet Replacement	2,500,000	-	2,500,000	-	1,240,012	1,240,012
Fire Services Equipment	100,000	-	100,000	-	-	-
City Projects-						
Oxford	1,233,050	-	1,233,050	-	232,204	232,204
Porterdale	830,000	-	830,000	-	156,250	156,250
Newborn	336,840	-	336,840	-	62,933	62,933
Covington	7,466,620	-	7,466,620	-	1,406,245	1,406,245
Mansfield	252,630	-	252,630	-	47,742	47,742
Add: Debt service on funds borrowed to begin authorized project					256,609	
					$ 6,768,744	

NEWTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2012

2005 SPLOST

Project	Original Estimated Cost	Other Estimated Funding Sources	Total Estimated Project Costs	Expenditures		
				As Restated Prior Years	Current Year	Total
Roads	$ 20,000,000	$ -	$ 20,000,000	$ 14,575,227	$ 162,829	$ 14,738,056
Mechanic shop	2,000,000	-	2,000,000	2,009,732	-	2,009,732
Landfill	3,700,000	-	3,700,000	3,580,452	-	3,580,452
Civic Center	5,000,000	-	5,000,000	-	-	-
Radio Communication	6,000,000	-	6,000,000	5,417,795	497,106	5,914,901
Data Communication	1,625,000	-	1,625,000	1,636,159	-	1,636,159
Detention Center	3,600,000	-	3,600,000	3,329,415	-	3,329,415
County Office Complex	5,000,000	13,200,000	18,200,000	13,541,543	-	13,541,543
Community Building	500,000	-	500,000	559,303	-	559,303
Judicial Center Parking	265,000	-	265,000	300,843	-	300,843
Cousins Gym	500,000	-	500,000	476,604	206	476,810
Historic Jail	500,000	-	500,000	436,912	9,845	446,757
Land Acquisition	1,000,000	-	1,000,000	1,264,089	-	1,264,089
City Projects-						
Oxford	605,168	-	605,168	479,209	-	479,209
Porterdale	909,736	-	909,736	108,771	-	108,771
Newborn	166,325	-	166,325	91,137	-	91,137
Covington	3,693,385	-	3,693,385	1,127,483	-	1,127,483
Mansfield	125,384	-	125,384	-	-	-
Administration	3,610,002	-	3,610,002	2,999,053	-	2,999,053
Add: Amounts paid for SPLOST project debt issued to early fund project					5,598,625	
					$ 6,268,611	

NEWTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2010

Project	Original Estimated Cost	Other Estimated Funding Sources	Total Estimated Project Costs	Expenditures		Total
				Prior Years	Current Year	
1995 SPLOST						
Road & Bridge Improvements	$ 10,000,000	$ 881,930	$ 10,881,930	$ 11,979,327 ***	$ -	$ 11,979,327
Facilities	8,400,000	1,075,500	9,475,500	10,551,000	-	10,551,000
Recreation	5,000,000	1,164,000	6,164,000	7,328,000	-	7,328,000
Library	3,100,000	-	3,100,000	3,100,000	-	3,100,000
Landfill	1,500,000	209,106	1,709,106	1,918,212	-	1,918,212
Administrative	-	299,447	299,447	598,894	-	598,894

*** As restated for properly calculated amounts.

NEWTON COUNTY, GEORGIA
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2012

Program Title	Contract Number	Receipt Recognized Fiscal Year	Expend-itures	Amount Due to/from State
Family Connection	427-93-11110105-99	$ 10,561	$ 10,561	$ -
	427-93-121200128-99	44,000	44,000	-
Community Services Block Grant				
Contract for FY Oct 10-Sept 11	427-93-07070694-99	76,258	76,258	-
Contract for FY Oct 11-Sept 12	427-00-0400000099	81,832	73,308	-
Total State Assistance		$ 212,651	$ 204,127	$ -