NEWTON COUNTY, GEORGIA

Annual Financial Report

For the Fiscal Year Ended
June 30, 2014

NEWTON COUNTY, GEORGIA

Annual Financial Report

For the Fiscal Year Ended
June 30, 2014



Prepared by Authority of
Newton County Board of Commissioners
Newton County, Georgia
John Middleton, County Manager
Michelle Kelly, Finance Officer

NEWTON COUNTY, GEORGIA
Financial Statements
For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION

NEWTON COUNTY, GEORGIA
Principal Officials

Board of Commissioners
2014

Keith Ellis	Chairman
John Douglas	Commissioner District 1
Lanier Sims	Commissioner District 2
Nancy Schulz	Commissioner District 3
J.C. Henderson	Commissioner District 4
Levie Maddox	Commissioner District 5

John Middleton, County Manager
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

FINANCIAL SECTION

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
Fax: 706-342-1041

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Newton County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newton County Health Department, the Newton County Water and Sewer Authority, or the Newton County Library System, which collectively represents 97.79% 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 in the Newton County Health Department, the Newton County Water and Sewer Authority, and the Newton County Library System is based on the report of 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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Newton County, Georgia as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Retirement Plan – Schedule of Funding Progress information on 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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, combing and individual nonmajor fund financial statements, and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic 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 and schedules, 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 section has 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 2015 on our consideration of Newton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering Newton County, Georgia's internal control over financial reporting and compliance.

Madison, Georgia
July 20, 2015

Treadwell, Hyatt & Co

Basic Financial Statements

NEWTON COUNTY, GEORGIA
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total	Total Component Units
ASSETS				
Cash	$ 32,066,888	$ 2,886,592	$ 34,953,480	$ 4,896,196
Investments	83,192	-	83,192	54,845
Accounts receivable, net	562,757	933,245	1,496,002	2,246,647
Taxes receivable, net	1,178,059	-	1,178,059	-
Internal balances-due from	767,252	(767,252)	-	-
Due from other governments	2,247,442	320,380	2,567,822	-
Prepaid expenses and inventories	476,102	43,991	520,093	15,043
Net pension benefit	77,920	-	77,920	-
Noncurrent restricted assets - Cash	1,197,877	4,422,173	5,620,050	-
Noncurrent restricted assets - Investments	7,346,210	-	7,346,210	10,780,377
Capital assets not being depreciated	71,771,033	29,125,214	100,896,247	-
Capital assets, net of accumulated depreciation	127,012,838	35,157,252	162,170,090	119,446,685
Other assets	5,220,938	-	5,220,938	156,987
Total assets	250,008,508	72,121,595	322,130,103	137,596,780
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount of debt refunding	119,905	1,968,306	2,088,211	-
Total assets and deferred outflows	250,128,413	74,089,901	324,218,314	137,596,780
LIABILITIES				
Accounts payable	2,333,889	531,915	2,865,804	948,777
Due to other governments	1,327,302	-	1,327,302	217,503
Accrued interest payable	35,450	-	35,450	-
Accrued expenses	956,994	300,173	1,257,167	107,331
Deposits from customers	-	2,100	2,100	726,258
Long-term liabilities (Note 6):				
Portion due or payable within one year:				
Bonds and notes payable	2,174,768	2,253,069	4,427,837	2,032,361
Capital leases	370,661	187,864	558,525	-
Compensated absences	200,000	-	200,000	-
Landfill closure/postclosure	-	118,366	118,366	-
Portion due or payable after one year:				
Bonds and notes payable	12,540,010	25,214,073	37,754,083	21,546,123
Plus/less related premium/discount	18,503	-	18,503	-
Capital leases	374,670	64,440	439,110	-
Compensated absences	1,882,962	-	1,882,962	-
Landfill closure/postclosure	-	6,421,651	6,421,651	-
Total liabilities	22,215,209	35,093,651	57,308,860	25,578,353
DEFERRED INFLOWS OF RESOURCES				
Unearned registrations	-	-	-	5,800
NET POSITION				
Net investment in capital assets	191,442,470	36,563,019	228,005,489	95,996,278
Restricted for:				
Debt service	2,450,273	4,422,173	6,872,446	320,085
Capital projects (restricted by enabling legislation)	24,818,251	-	24,818,251	3,679,109
Special revenue (restricted by enabling legislation)	2,685,248	-	2,685,248	-
Other	-	-	-	1,383,816
Unrestricted	6,516,962	(1,988,942)	4,528,020	10,633,339
Total net position	$ 227,913,204	$ 38,996,250	$ 266,909,454	$ 112,012,627

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

NEWTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

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 Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units
Governmental:								
General government	$ 7,533,759	$ 1,345,494	$ 41,634	$ 19,523	$ (6,127,108)		$ (6,127,108)	
Judicial	5,710,033	2,413,909	750,576	-	(2,545,548)		(2,545,548)	
Public safety	30,826,480	2,847,304	1,242,215	36,602	(26,700,359)		(26,700,359)	
Public works	25,702,670	1,006,911	-	26,250	(24,669,509)		(24,669,509)	
Health and welfare	766,260	-	65,774	-	(700,486)		(700,486)	
Culture and recreation	3,318,912	5,538	146,187	-	(3,167,187)		(3,167,187)	
Housing and development	1,372,146	621,478	106,710	-	(643,958)		(643,958)	
Interest and fiscal charges	556,395	-	-	-	(556,395)		(556,395)	
Total governmental activities	75,786,655	8,240,634	2,353,096	82,375	(65,110,550)		(65,110,550)	
Business-type:								
Water	5,794,325	8,282,323	-	-		$ 2,487,998	2,487,998	
Special Facilities	48,276	18,085	-	-		(30,191)	(30,191)	
Landfill	4,369,003	2,048,332	-	-		(2,320,671)	(2,320,671)	
Total business-type activities	10,211,604	10,348,740	-	-		137,136	137,136	
Component units:								
Newton County Water & Sewerage Authority	12,746,614	14,913,562	-	1,894,839				$ 4,061,787
Newton County Senior Services, Inc.	670,788	79,063	421,917	-				(169,808)
Newton County Library System	1,919,632	95,439	375,576	55,790				(1,392,827)
Newton County Health Department	2,056,469	934,238	962,855	-				(159,376)
Newton County Industrial Development Authority	192,199	-	175,000	-				(17,199)
Newton County Recreation Commission	2,066,538	447,679	-	-				(1,618,859)
Total component units	19,652,240	16,469,981	1,935,348	1,950,629				703,718

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

NEWTON COUNTY, GEORGIA
Statement of Activities
For the Fiscal Year Ended June 30, 2014

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 Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Total	Component Units
General revenues:								
Taxes								
Property taxes, levied for general purposes					25,281,952	-	25,281,952	-
Sales tax					18,396,452	-	18,396,452	-
Franchise and business taxes					5,152,328	-	5,152,328	-
Other taxes					430,540	-	430,540	-
Intergovernmental revenues unrestricted					5,264,819	-	5,264,819	2,908,612
Investment earnings					8,501	21,915	30,416	29,841
Joint venture equity					(31,760)	-	(31,760)	-
Miscellaneous					361,814	-	361,814	51,714
Gain on disposal of capital assets					13,646	-	13,646	-
Transfers					(769,078)	769,078	-	-
Total general revenues and transfers					54,109,214	790,993	54,900,207	2,990,167
Change in net position					(11,001,336)	928,129	(10,073,207)	3,693,885
Net position - beginning, as previously reported					238,914,540	38,068,121	276,982,661	108,592,351
Change in accounting principle					-	-	-	(359,838)
Prior period adjustment - GASB 65					-	-	-	86,229
Net position - beginning, as restated					238,914,540	38,068,121	276,982,661	108,318,742
Net position - ending					$ 227,913,204	$ 38,996,250	$ 266,909,454	$ 112,012,627

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

NEWTON COUNTY, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Impact Fee Fund	2005 SPLOST Fund	2011 SPLOST Fund	Other Gov't Funds	Total Governmental Funds
ASSETS						
Cash	$ 5,270,885	$ 1,281,067	$ 6,653,337	$ 14,751,931	$ 5,266,255	$ 33,223,475
Investments	-	-	5,190,629	-	2,155,581	7,346,210
Taxes receivable, net	1,126,804	-	-	-	51,255	1,178,059
Due from other funds	938,885	1,500,000	4,123,474		-	6,562,359
Due from other governments	1,202,510	-	-	884,189	433,358	2,520,057
Due from others	173,161	-	-	35,485	389,526	598,172
Inventory	218,838	-	-	-	10,197	229,035
Prepaid items	166,242	-	-	-	-	166,242
Total assets	$ 9,097,325	$ 2,781,067	$ 15,967,440	$ 15,671,605	$ 8,306,172	$ 51,823,609
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 641,869	$ 200,475	$ 101,407	$ 435,121	$ 852,474	$ 2,231,346
Due to other funds		4,123,474	-	-	1,671,633	5,795,107
Due to other governments	-	-	1,327,302	-	307,892	1,635,194
Due to others	-	-	-	-	58,768	58,768
Accrued expenditures	945,713	-	-	-	-	945,713
Total liabilities	1,587,582	4,323,949	1,428,709	435,121	2,890,767	10,666,128
Deferred inflows of resources:						
Unavailable property taxes	1,017,549	-	-	-	46,219	1,063,768
Fund balances:						
Nonspendable:						
Prepaid items and inventory	364,301	-	-	-	10,197	374,498
Restricted:						
General Government	-	-	-	-	276,553	276,553
Judicial	-	-	-	-	314,857	314,857
Public Safety	-	-	-	-	2,095,593	2,095,593
Public Works	-		-	-	(14,830)	(14,830)
Culture & recreation	-		-	-	(8,372)	(8,372)
Heatlh & welfare	-	-	-	-	11,250	11,250
Debt Service	-	-	-	-	2,450,273	2,450,273
Capital projects	-	(1,542,882)	14,538,731	15,236,484	233,665	28,465,998
Unassigned	6,127,893	-	-	-	-	6,127,893
Total fund balances	6,492,194	(1,542,882)	14,538,731	15,236,484	5,369,186	40,093,713
Total liabilities, deferred inflows and fund balances	$ 9,097,325	$ 2,781,067	$ 15,967,440	$ 15,671,605	$ 8,306,172	$ 51,823,609

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 Position
June 30, 2014

Total *fund* balances for governmental funds (Exhibit C)		$ 40,093,713
Total *net position* reported for governmental activities in the statement of net position 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	$ 67,937,064	
Construction in progress	3,833,969	
Infrastructure	494,500,367	
Buildings and improvements	82,099,000	
Equipment, furniture and vehicles	28,128,686	
Less: Accumulated depreciation	(477,715,215)	
Total capital assets		198,783,871
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 unavailable revenue in the funds.		1,063,768
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 position.		150,105
Other assets - Investment in Joint Venture - are not financial resources and therefore are not reported in the funds.		5,220,938
Pension assets as a result of excess contributions		77,920
Other liabilities - Accrued interest - are not reported in the funds		(35,450)
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 position. Balances at June 30, 2013 are:		
Bonds and notes payable	(14,716,403)	
Capital leases	(743,706)	
Compensated absences	(2,082,962)	
Deferred charges	-	
Unamortized discount and premium	(18,503)	
Unamortized deferred gain/loss on refunding	119,905	
Total long-term liabilities		(17,441,669)
Total net position of governmental activities (Exhibit A)		$ 227,913,204

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

NEWTON COUNTY, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Impact Fee Fund	2005 SPLOST Fund	2011 SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 37,175,842	$ -	$ -	$ 10,509,808	$ 1,169,564	$ 48,855,214
Licenses and permits	468,976	-	-	-	-	468,976
Intergovernmental revenue	1,217,537	-	4,123,474	26,250	2,249,783	7,617,044
Charges for services	3,944,132	248,019	-	-	1,729,009	5,921,160
Fines and forfeitures	1,278,064	-	-	-	566,027	1,844,091
Investment income	1,102	1,514	7,277	12,247	5,842	27,982
Contributions and donations	26,126	-	-	-	-	26,126
Miscellaneous	678,906	-	-	35,485	68,228	782,619
Total revenues	44,790,685	249,533	4,130,751	10,583,790	5,788,453	65,543,212
EXPENDITURES						
Current:						
General government	5,771,960	-	-	280	15,920	5,788,160
Judicial	4,842,153	-	-	-	782,259	5,624,412
Public safety	25,008,895	-	-	-	4,037,274	29,046,169
Public works	5,175,171	-	-	-	5,566	5,180,737
Health and welfare	733,255	-	-	-	31,537	764,792
Culture and recreation	2,716,794	-	-	-	270	2,717,064
Housing and development	1,267,792	-	-	-	104,193	1,371,985
Intergovernmental	-		-	1,845,023	-	1,845,023
Debt service:						
Principal payments	-	-	-	732,100	1,474,223	2,206,323
Interest and fiscal charges	-	-	-	-	524,234	524,234
Capital outlay	-	6,282,132	1,398,035	2,643,638	2,112,167	12,435,972
Total expenditures	45,516,020	6,282,132	1,398,035	5,221,041	9,087,643	67,504,871
Excess (deficiency) of revenues over (under) expenditures	(725,335)	(6,032,599)	2,732,716	5,362,749	(3,299,190)	(1,961,659)
OTHER FINANCING SOURCES (USES)						
Capital lease financing	-	-	-	784,735	-	784,735
Issuance of debt	-	-	-	-	360,000	360,000
Sale of capital assets	13,634	-	-	-	-	13,634
Transfers in	1,619,993	1,700,000	-	-	1,912,837	5,232,830
Transfers (out)	(2,124,246)	-	-	(757,052)	(3,120,611)	(6,001,909)
Total other financing sources (uses)	(490,619)	1,700,000	-	27,683	(847,774)	389,290
Net change in fund balances	(1,215,954)	(4,332,599)	2,732,716	5,390,432	(4,146,964)	(1,572,369)
Fund balances - beginning	7,708,148	2,789,717	11,806,015	9,846,052	9,516,150	41,666,082
Fund balances - ending	$ 6,492,194	$ (1,542,882)	$ 14,538,731	$ 15,236,484	$ 5,369,186	$ 40,093,713

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 Activities
For the Fiscal Year Ended June 30, 2014

Net change in *fund* balances - total governmental funds (Exhibit E)	$	(1,572,369)
The change in *net position* 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 ($13,272,754) exceeded capital outlays ($2,081,469) in the current period.		(11,191,285)
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 position. 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		(549,735)
Repayments		2,091,536
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 position, the lease obligation is reported as a liability.		(595,000)
Capital lease payments are reported as expenditures in the governmental funds, but reduce the liability in the statement of net position.		637,494
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.		84,636
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 position.		100,250
Change in Net Pension Assets due to excess contributions		56,770
Change in the carrying value of Joint Venture. This change represents the County's share of the financial results of the Joint Venture.		(31,760)
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		43,157
Accrued interest payable		

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 Activities
For the Fiscal Year Ended June 30, 2014

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 balances.

Compensated absences	$ (52,592)	
Amortization of debt discount, premium and issuance costs	1,542	
Amortization of advanced refunding difference	(23,981)	
		(75,031)

Change in net position of governmental activities (Exhibit B) $ (11,001,336)

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 37,587,881	$ 37,587,881	$ 37,175,842	$ (412,039)
Licenses and permits	331,500	331,500	468,976	137,476
Intergovernmental revenue	1,268,525	1,268,525	1,217,537	(50,988)
Charges for services	4,541,563	4,541,563	3,944,132	(597,431)
Fines and forfeitures	1,234,500	1,234,500	1,278,064	43,564
Investment income	25,000	25,000	1,102	(23,898)
Contributions and donations	2,500	2,500	26,126	23,626
Miscellaneous	753,732	753,732	678,906	(74,826)
Total revenues	45,745,201	45,745,201	44,790,685	(954,516)
EXPENDITURES				
Current:				
General government:				
Chief Executive	1,900,938	1,884,938	2,174,560	(289,622)
Elections	378,497	378,497	329,151	49,346
Data Processing	537,231	537,231	513,078	24,153
Human resources	278,856	278,856	286,656	(7,800)
Tax commissioner	941,376	941,376	885,750	55,626
Tax assessor	890,473	890,473	854,383	36,090
Buildings & plant	790,634	790,634	728,382	62,252
Judicial				
Superior court	731,675	731,675	751,040	(19,365)
Clerk of superior court	1,115,484	1,115,484	1,089,207	26,277
District attorney	1,096,216	1,096,216	1,051,390	44,826
Magistrate court	257,934	257,934	253,471	4,463
Probate court	460,056	460,056	460,685	(629)
Juvenile court	809,618	809,618	835,983	(26,365)
Public defender	410,813	410,813	400,377	10,436
Public safety				
Sheriff	9,852,761	9,852,761	9,574,419	278,342
Jail operations	9,248,115	9,248,115	9,499,383	(251,268)
Fire	4,924,894	4,924,894	5,150,294	(225,400)
Coroner	72,144	72,144	71,840	304
Other protective services	727,699	727,699	712,959	14,740
Public works				
Administration	4,286,549	4,286,549	4,274,562	11,987
Traffic engineering	261,546	261,546	365,016	(103,470)
Solid waste recycling	132,445	132,445	132,050	395
Maintenance & shop	487,331	487,331	403,543	83,788
Health and welfare				
Welfare	733,255	733,256	733,255	1
Culture and recreation				
Recreation	1,686,934	1,702,934	1,708,578	(5,644)
Parks	96,750	96,750	91,764	4,986
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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Housing and development				
Conservation	$ 90,767	$ 90,767	$ 89,560	$ 1,207
Urban redevelopment	-	-	79,844	(79,844)
Planning and zoning	949,627	949,627	947,950	1,677
Economic development	150,500	150,500	150,500	-
Total expenditures	45,217,570	45,217,571	45,516,020	(298,449)
Excess (deficiency) of revenues over expenditures	527,631	527,630	(725,335)	(1,252,965)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	100,000	100,000	13,634	(86,366)
Transfers in	1,203,823	1,203,823	1,619,993	416,170
Transfers (out)	(1,831,454)	(1,831,454)	(2,124,246)	(292,792)
Total other financing sources (uses)	(527,631)	(527,630)	(490,619)	37,012
Net change in fund balance	$ -	$ -	(1,215,954)	$ (1,215,953)
Fund balance - beginning			7,708,148	
Fund balance - ending			$ 6,492,194	

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

NEWTON COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2014

	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	$ 1,566,566	$ 1,316,407	$ 3,619	$ 2,886,592	$ 124,544
Accounts receivable	778,264	148,981	6,000	933,245	-
Due from other governments	23,000	-	-	23,000	-
Due from other funds	-	-	-	-	-
Prepaid expenses & inventories	43,991	-	-	43,991	80,825
Total current assets	2,411,821	1,465,388	9,619	3,886,828	205,369
Noncurrent Assets					
Restricted Assets					
Cash	4,422,173	-	-	4,422,173	-
Total restricted assets	4,422,173	-	-	4,422,173	-
Capital Assets,					
Not being depreciated	26,213,203	2,912,011	-	29,125,214	-
Being depreciated, net of depreciation	26,638,298	8,324,999	193,955	35,157,252	-
Net capital assets	52,851,501	11,237,010	193,955	64,282,466	-
Noncurrent Assets					
Due from Walton County	297,380	-	-	297,380	-
Total noncurrent notes receivable	297,380	-	-	297,380	-
Total noncurrent assets	57,571,054	11,237,010	193,955	69,002,019	-
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount on debt refunding	1,968,306	-	-	1,968,306	-
Total assets and deferred outflows	$ 61,951,181	$ 12,702,398	$ 203,574	$ 74,857,153	$ 205,369

Continued on next page

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

NEWTON COUNTY, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2014

	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	$ 459,450	$ 70,699	$ 1,766	$ 531,915	$ 55,056
Accrued expenses	265,415	34,758	-	300,173	-
Current portion of notes payable	35,802	147,267	-	183,069	-
Current portion of capital lease obligations	-	187,864	-	187,864	-
Current portion of revenue bonds	2,070,000	-	-	2,070,000	-
Current portion landfill closure	-	118,366	-	118,366	-
Deposits from customers	-	-	2,100	2,100	-
Due to other governments	-	-	-	-	208
Due to other funds	-	766,285	967	767,252	-
Total current liabilities	2,830,667	1,325,239	4,833	4,160,739	55,264
Noncurrent Liabilities					
Notes payable	745,729	3,563,344	-	4,309,073	-
Capital lease obligations	-	64,440	-	64,440	-
Revenue bonds	20,905,000	-	-	20,905,000	-
Landfill closure/postclosure	-	6,421,651	-	6,421,651	-
Total noncurrent liabilities	21,650,729	10,049,435	-	31,700,164	-
Total liabilities	24,481,396	11,374,674	4,833	35,860,903	55,264
NET POSITION					
Net investment in capital assets	29,094,970	7,274,095	193,954	36,563,019	-
Restricted for repayment					
Restricted for debt service	4,422,173	-	-	4,422,173	-
Unrestricted	3,952,642	(5,946,371)	4,787	(1,988,942)	150,105
Total net position	$ 37,469,785	$ 1,327,724	$ 198,741	$ 38,996,250	$ 150,105

Continued from previous page

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

NEWTON COUNTY, GEORGIA
Statement of Revenues Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Fund
	Major Funds		Nonmajor Enterprise Fund	Total	
	Water Fund	Solid Waste Fund			
REVENUES					
Sales	$ 8,239,313	$ 1,838,647	$ 17,989	$ 10,095,949	$ 600,316
Transportation and wheeling	4,145	-	-	4,145	-
Meter maintenance	28,273	-	-	28,273	-
Sale of recyclables	-	207,330	-	207,330	-
Activity fees	10,592	-	-	10,592	-
Miscellaneous income	-	2,355	96	2,451	-
Total operating revenues	8,282,323	2,048,332	18,085	10,348,740	600,316
EXPENSES					
Cost of Sales & services	-	1,303,721	-	1,303,721	-
Personal services	-	812,713	-	812,713	-
Purchased/Contracted services	1,235,304	1,194,192	26,314	2,455,810	515,723
Supplies	1,662,145	308,427	13,366	1,983,938	-
Depreciation	1,155,564	592,073	8,596	1,756,233	-
Other costs	992,456	-	-	992,456	-
Total operating expenses	5,045,469	4,211,126	48,276	9,304,871	515,723
Operating income (loss)	3,236,854	(2,162,794)	(30,191)	1,043,869	84,593
NONOPERATING REVENUES (EXPENSES)					
Interest earned	21,036	877	2	21,915	43
Interest expense & costs	(748,856)	(157,877)	-	(906,733)	-
Total non-operating revenues (expenses)	(727,820)	(157,000)	2	(884,818)	43
Income (loss) before Transfers	2,509,034	(2,319,794)	(30,189)	159,051	84,636
Other Financing Sources (uses):					
Transfers in	-	750,000	19,078	769,078	-
Total Contributions & Transfers	-	750,000	19,078	769,078	-
Change in net position	2,509,034	(1,569,794)	(11,111)	928,129	84,636
Net position - beginning	34,960,751	2,897,518	209,852	38,068,121	65,469
Net position - ending	$ 37,469,785	$ 1,327,724	$ 198,741	$ 38,996,250	$ 150,105

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, 2014

	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	$ 8,117,486	$ 3,043,734	$ 16,833	$ 11,178,053	$ -
Cash received for interfund services provided	-	-	-	-	600,417
Cash payments for goods and services	(2,839,341)	(2,607,227)	(40,005)	(5,486,573)	(527,942)
Cash payments to employees	-	(812,713)	-	(812,713)	-
Net cash provided by (used for) operating activities	5,278,145	(376,206)	(23,172)	4,878,767	72,475
Cash flows from non-capital financing:					
Transfers in (out)	-	750,000	19,078	769,078	-
Repayment of loan other funds	(583,326)	-	(461)	(583,787)	-
Advances from other funds	-	766,285	-	766,285	-
Net cash from non-capital financing activities	(583,326)	1,516,285	18,617	951,576	-
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(2,094,455)	(234,278)	-	(2,328,733)	-
Interest paid on debt	(576,253)	(157,877)	-	(734,130)	-
Purchases of property, plant, and equipment	(547,822)	(12,583)	-	(560,405)	-
Net cash (used in) capital and related financing	(3,218,530)	(404,738)	-	(3,623,268)	-
Cash flows from investing activities:					
Interest received	21,039	877	2	21,918	43
Net cash provided by investing activities	21,039	877	2	21,918	43
Net increase (decrease) in cash & cash equivalents	1,497,328	736,218	(4,553)	2,228,993	72,518
Cash & cash equivalents, beginning	4,491,410	580,189	8,172	5,079,771	52,027
Cash & cash equivalents, ending	$ 5,988,739	$ 1,316,407	$ 3,619	$ 7,308,764	$ 124,544

Continued on next page

NEWTON COUNTY, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	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)	$ 3,236,854	$ (2,162,794)	$ (30,191)	$ 1,043,869	$ 84,593
Adjustments to reconcile net income to net cash provided by operating activities:					
Landfill closure and postclosure costs	-	1,250,608	-	1,250,608	-
Depreciation and amortization	1,155,564	592,073	8,596	1,756,233	-
Changes in operating assets and liabilities:					
Accounts receivable	786,920	(15,161)	-	771,759	-
Interfund receivables/payables	40,698	-	-	40,698	(13,457)
Intergovernment receivables/payables	-	-		-	101
Customer deposits	-	-	(1,250)	(1,250)	-
Accounts payable	58,109	(40,932)	(327)	16,850	1,238
Net cash provided by (used for) operating activities	$ 5,278,145	$ (376,206)	$ (23,172)	$ 4,878,767	$ 72,475

Continued from previous page

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

NEWTON COUNTY, GEORGIA
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

ASSETS	
Cash	$ 1,037,637
Receivables	3,392,165
Total assets	$ 4,429,802
LIABILITIES	
Due to others	$ 4,429,802
Total liabilities	$ 4,429,802

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

NEWTON COUNTY, GEORGIA
Statement of Net Position
Component Units

	June 30, 2014				December 31, 2013		June 30, 2014	
	Library	Senior Services	Health Department	Recreation Commission	Industrial Development Authority	Total Governmental Component Units	Water and Sewerage Authority	Total
ASSETS								
Cash	$ 1,452,738	$ 16,642	$ 2,405,709	$ 232,941	$ 783,166	$ 4,891,196	$ 5,000	$ 4,896,196
Investments	54,845	-	-	-	-	54,845	-	54,845
Accounts receivable, net	-	54,308	41,135	-	-	95,443	2,151,204	2,246,647
Restricted assets	-	-	-	-	-	-	10,780,377	10,780,377
Capital assets, net	6,639,691	-	46,991	276,872	1,675,838	8,639,392	110,807,293	119,446,685
Inventories	-	-	-	-	-	-	156,987	156,987
Prepaid items	-	-	-	-	-	-	15,043	15,043
Total assets	8,147,274	70,950	2,493,835	509,813	2,459,004	13,680,876	123,915,904	137,596,780
LIABILITIES AND DEFERRED INFLOWS								
Liabilities:								
Accounts payable	115,886	16,344	71,144	11,745	-	215,119	733,658	948,777
Due to other governments	-	102,371	-	115,132	-	217,503	-	217,503
Deposits	-	-	-	-	-	-	726,258	726,258
Accrued expenses	23,530	-	-	-	-	23,530	83,801	107,331
Long-term debt								
Due within one year:	11,581	-	63,950	3,337	-	78,868	1,953,493	2,032,361
Due after one year:	17,372	-	21,050	4,161	-	42,583	21,503,540	21,546,123
Total liabilities	168,369	118,715	156,144	134,375	-	577,603	25,000,750	25,578,353
Deferred Inflows:								
Unearned registrations	-	-	-	5,800	-	5,800	-	5,800
NET POSITION								
Net investment in capital assets	6,639,691	-	46,991	269,374	1,675,838	8,631,894	87,364,384	95,996,278
Restricted-						-		-
Capital projects	347,586	-	-	-	-	347,586	3,331,523	3,679,109
Other	-	-	1,383,816	-	-	1,383,816	-	1,383,816
Debt service	-	-	-	-	-	-	320,085	320,085
Unrestricted	991,628	(47,765)	906,884	100,264	783,166	2,734,177	7,899,162	10,633,339
Total net position	$ 7,978,905	$ (47,765)	$ 2,337,691	$ 369,638	$ 2,459,004	$ 13,097,473	$ 98,915,154	$ 112,012,627

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, 2014
For the Year Ended December 31, 2013 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	$ 12,746,614	$ 14,913,562	$ -	$ 1,894,839
Newton County Library	1,919,632	95,439	375,576	55,790
Newton County Senior Services, Inc.	670,788	79,063	421,917	-
Newton County Health Department	2,056,469	934,238	962,855	-
Newton County Recreation Commission	2,066,538	447,679	-	-
Newton County Industrial Development Authority	192,199	-	175,000	-
Total component units	$ 19,652,240	$ 16,469,981	$ 1,935,348	$ 1,950,629

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

	Net Revenue (Expense) and Changes in Net Position						
Component units:	**Water and Sewerage Authority**	**Library**	**Senior Services**	**Health Department**	**Recreation Commission**	**Industrial Development Authority**	**Total**
Newton County Water and Sewerage Authority	$ 4,061,787	$ -	$ -	$ -	$ -	$ -	$ 4,061,787
Newton County Library	-	(1,392,827)		-	-	-	(1,392,827)
Newton County Senior Services, Inc.	-	-	(169,808)	-	-	-	(169,808)
Newton County Health Department	-	-	-	(159,376)	-	-	(159,376)
Newton County Recreation Commission	-	-	-	-	(1,618,859)	-	(1,618,859)
Newton County Industrial Development Authority	-	-	-	-	-	(17,199)	(17,199)
Total component units	4,061,787	(1,392,827)	(169,808)	(159,376)	(1,618,859)	(17,199)	703,718
General Revenues:							
Investment earnings	27,263	1,575	-	-	251	753	29,842
Intergovernmental	33,312	-	-	-	-	-	33,312
Miscellaneous	-	-	-	-	51,714	-	51,714
Appropriation from Newton County	-	933,851	110,000	208,516	1,622,933	-	2,875,300
Total general revenues	60,575	935,426	110,000	208,516	1,674,898	753	2,990,168
Change in net position	4,122,362	(457,401)	(59,808)	49,140	56,039	(16,446)	3,693,886
Net position - beginning, as originally reported	94,792,792	8,796,144	12,044	2,288,551	313,599	2,389,221	108,592,351
Change in accounting principle	-	(359,838)	-	-	-	-	(359,838)
Prior period adjustment	-	-	-	-	-	86,229	86,229
Net position - beginning, as restated	94,792,792	8,436,306	12,044	2,288,551	313,599	2,475,450	108,318,742
Net position - ending	$ 98,915,154	$ 7,978,905	$ (47,764)	$ 2,337,691	$ 369,638	$ 2,459,004	$ 112,012,628

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*, as amended by GASB Statement No. 61, the financial statements of the reporting entity include those of Newton County (the primary government) and its component units. The County implemented the guidance of GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*, which amends some of the provisions of Statement 14, as of July 1, 2012. 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 $691,622. Additionally, the County provided appropriations to the Commission totaling $1,622,934.

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 position 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.

Impact Fee Fund – This is a capital project fund established to account for all Impact Fee funds collected by the County that are used for certain approved projects under the Impact Fee Plan.

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.

Note 1: Summary of Significant Accounting Policies, continued

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, 2014: Tax Commissioner, Sheriff, Probate Court, Clerk of Superior Court, Magistrate Court, and Juvenile Court.

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.

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.

Note 1: Summary of Significant Accounting Policies, continued

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

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 disclosed as a portion 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 October 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.

Note 1: Summary of Significant Accounting Policies, continued

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, 2014 amounted to $1,178,059 while unavailable property tax revenue totaled $1,063,768.

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 nonspendable 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. Buildings, 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 $5,000 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.

Note 1: Summary of Significant Accounting Policies, continued

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 County's policy is to first apply restricted assets to expenditures which meet the requirements of the restriction when both restricted and unrestricted assets are available to fund the expenditure.

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:

The following fund had a deficit fund balance as of June 30, 2014:
Capital Project – Impact Fee Fund - $1,542,882

B. Excess of Expenditures over appropriations:

The following departments had excess expenditures over appropriations for June 30, 2014.

General Fund –	Chief Executive - $289,622	Superior Court - $19,365
Probate Court - $629	Juvenile Court - $26,365	Jail - $251,268
Fire - $225,400	Traffic Engineering - $103,470	Recreation - $5,644
Urban Redevelopment - $79,844	Human Resources - $7,800	
Special Revenue Funds –	Real Estate Grant - $39,868	E-911 - $413,532

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 $35,050,759 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 - 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 State Treasurer. 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	$ 4,138,593 46 day WAM	$ -	$ 4,138,593
2005 SPLOST Fund				
Georgia Fund 1*	AAAm	-	-	-
Fixed Income Securities	AAA	5,190,629	-	5,190,629
2011 SPLOST Fund				
Georgia Fund 1*	AAAm	1,602	-	1,602
Fixed Income Securities	AAA	-	-	-
Capital Project - Capital Improvement Fund				
Fixed Income Securities	AAA	181,258	-	181,258
Debt Service Fund				
Fixed Income Securities	AAA	1,974,272	-	1,974,272
Water Fund				
Fixed Income Securities	Aaa	3,648,622	-	3,648,622
Special Revenue Fund - Law Library				
Certificates of Deposit		83,192	-	83,192
		$ 15,218,168	$ -	$ 15,218,168

* 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, 2014 is as follows:

Governmental activities:

	Beginning	Additions	Retirements	Ending
Capital assets not being depreciated:				
Land	$ 67,937,064	$ -	$ -	$ 67,937,064
Construction in Progress	2,332,160	1,501,809	-	3,833,969
Total capital assets not being depreciated	70,269,224	1,501,809	-	71,771,033
Capital assets being depreciated:				
Infrastructure	494,500,386	-	-	494,500,386
Buildings and Improvements	82,201,806	-	-	82,201,806
Equipment, Furniture and Vehicles	27,553,014	579,661	106,812	28,025,863
Total capital assets being depreciated	604,255,206	579,661	106,812	604,728,055
Less accumulated depreciation for:				
Infrastructure	420,186,621	8,496,440	-	428,683,061
Buildings and Improvements	27,384,046	2,946,801	-	30,330,847
Equipment, Furniture and Vehicles	16,978,607	1,829,513	106,812	18,701,308
Total accumulated depreciation	464,549,274	13,272,754	106,812	477,715,216
Net governmental capital assets, net	$ 209,975,156	$ (11,191,284)	$ -	$ 198,783,873

Note 4: Capital Assets, continued

Total government activities depreciation expense	
General government	$ 1,143,663
Judicial	67,320
Public Safety	2,815,715
Public Works	8,704,642
Culture & Recreation	539,313
Housing & Development	2,101
	$ 13,272,754

Business-type activities:

Water Fund	Beginning	Additions	Retirements	Ending
Capital assets not being depreciated:				
Land	$ 8,121,186	$ -	$ -	$ 8,121,186
Construction in Progress	17,566,194	525,823	-	18,092,017
Total capital assets not being depreciated	25,687,380	525,823	-	26,213,203
Capital assets being depreciated:				
Land improvements	682,100	-	-	682,100
Buildings	27,804,639	-	-	27,804,639
Water distribution system	8,838,064	-	-	8,838,064
Machinery and equipment	5,329,993	21,999	-	5,351,992
Total capital assets being depreciated	42,654,796	21,999	-	42,676,795
Less accumulated depreciation for:				
Land improvements	230,444	30,398	-	260,842
Buildings	5,185,576	710,427	-	5,896,003
Water distribution system	5,412,697	320,150	-	5,732,847
Machinery and equipment	4,054,216	94,588	-	4,148,804
Total accumulated depreciation	14,882,933	1,155,563	-	16,038,496
Total capital assets, depreciated, net	$ 53,459,243	$ (607,741)	$ -	$ 52,851,502

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	-	12,583	-	12,583
Total capital assets not being depreciated	2,899,428	12,583	-	2,912,011
Capital assets being depreciated:				
Land improvements	10,567,693	-	-	10,567,693
Buildings	436,591	-	-	436,591
Machinery and equipment	3,353,739	-	-	3,353,740
Total capital assets being depreciated	14,358,023	-	-	14,358,024
Less accumulated depreciation for:				
Land improvements	2,745,890	374,621	-	3,120,511
Buildings	222,538	15,077	-	237,615
Machinery and equipment	2,472,523	202,376	-	2,674,899
Total accumulated depreciation	5,440,951	592,074	-	6,033,025
Total capital assets, depreciated, net	$ 11,816,501	$ (579,491)	$ -	$ 11,237,010

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	110,086	6,640	-	116,726
Site Improvements	8,401	992	-	9,393
Machinery and equipment	46,661	964	-	47,625
Total accumulated depreciation	165,148	8,596	-	173,744
Total capital assets, depreciated, net	$ 202,550	$ (8,596)	$ -	$ 193,954
Total business-type capital assets, net	$ 65,478,292	$ (1,195,828)	$ -	$ 64,282,466

Note 5: Interfund Balances and Activity

Balances Due to/from Other Funds

Balances due to/from other funds at June 30, 2014 consist of the following:

	Due To's				
Due From's	**Impact Fee**	**Solid Waste**	**Nonmajor Governmental Funds**	**Nonmajor Enterprise Funds**	**Total**
Governmental Funds:					
General	$ -	$ 766,285	$ 171,633	$ 967	$ 938,885
Impact Fee Fund	-	-	1,500,000	-	1,500,000
SPLOST 2005	4,123,374	-	-	-	4,123,374
	$ 4,123,374	766,285	$ 1,671,634	$ 967	$ 6,562,259

The Impact Fee Fund owes the SPLOST 05 Fund for additional costs of common projects, as does the Capital Improvement Fund owe the Impact Fee Fund. All amounts are expected to be reimbursed in future years.

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 In/Out Other Funds

Transfers to/from other funds at June 30, 2014 consist of the following:

	Transfers Out			
Transfers In	**General Fund**	**2011 SPLOST Fund**	**Nonmajor Governmental Funds**	**Total**
Governmental Funds:				
General	$ -	$ -	$ 1,619,993	$ 1,619,993
Impact Fee	200,000	-	1,500,000	1,700,000
Proprietary Funds:				
Solid Waste	750,000	-	-	750,000
Nonmajor enterprise	19,078	-	-	19,078
Nonmajor governmental	1,155,168	757,052	618	1,912,838
	$ 2,124,246	$ 757,052	$ 3,120,611	$ 6,001,909

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:

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 Position. 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, 2014:

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	$ 3,695,000	$ 2,485,000

$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	$ 1,486,026	$ 368,811

Contract Payable - Newton County Recreation – Miracle League Field – Newton Federal
The Newton County Recreation Commission entered into an agreement for a construction loan in order to construct the Miracle League Field. Through an Intergovernmental Agreement with the County, the County has agreed to repay the loan with approved SPLOST 2011 funds. Because the County is unconditionally liable for the payment of the note, a contract payable for the outstanding balance of the construction loan is reported on the Statement of Net Position. Because the Recreation Commission is only responsible for repayment of the loan to the extent it receives the SPLOST monies under the intergovernmental agreement, the loan is not reported as a liability of the Recreation Commission.

The construction loan was approved for $1,500,000 at 3%, of which the balance remaining at June 30, 2014 was $409,546. Payments are made monthly for $36,698.74 pending amount drawn at that time.

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, 2014	$ 2,194,899	$ 652,674
		Amortization included

Future mimimum lease payments at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	
2015	$ 387,826
2016	130,978
2017	130,978
2018	77,229
2019	57,921
Total minimum lease payments	784,932
Less: Interest portion of minimum lease payments	(39,600)
Present value of minimum lease payments	$ 745,332

Note 6: Long-term Obligations, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2014 are as follows:

	June 30, 2013	Increases	Decreases	June 30, 2014	Due within one year
Governmental activities:					
COPS 2003 (refunded)	$ 3,070,000	$ -	$ 485,000	$ 2,585,000	$ 500,000
COPS 2006	7,705,000	-	410,000	7,295,000	425,000
GEFA notes payable	510,722	-	141,911	368,811	176,753
2008 Library bonds	1,595,000	-	515,000	1,080,000	530,000
Georgia Perimeter College	1,500,393	-	195,338	1,305,055	181,792
Four County Joint Industrial Development Authority:					
Bonds	1,762,500	-	187,500	1,575,000	187,500
GEFA notes payable	114,590	-	10,501	104,089	10,998
Contract payable	-	548,121	146,298	401,823	162,725
Capital lease obligations	786,199	594,903	635,770	745,332	370,661
Compensated absences	2,030,370	773,650	721,058	2,082,962	200,000
	$ 19,074,773	$ 1,916,674	$ 3,448,376	$ 17,543,071	$ 2,745,429

Governmental activities incurred a total of $577,113 of interest costs for the year ended June 30, 2014. 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
Water Fund							
2012-L-24-WS	1.40%	Monthly	9/1/2013	9/1/2033	$ 810,986	$ 29,455	$ 781,531

Bonds Payable

Series 2012 Water Revenue Refunding Bonds – The County issued serial revenue bonds with a par value of $22,665,000. In addition to the 2012 Revenue Bonds, the County provided $6,098,915 in funds that they had received on early debt retirement from Walton County, Georgia and sinking funds from the 2004 Bond Series. The proceeds of the 2012 issue were used to advance refund the 2004 Bond Series. 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 an advanced refunding of the County's outstanding Series 2004 Revenue Bonds. The serial bonds accrue interest at 2.20% and mature between July 1, 2013 and July 1, 2024 and are callable at par as of July 1, 2018. Interest on the bonds is payable semiannually in installments ranging from $21,479 to $251,582. Principal is payable annually in installments ranging from $1,795,000 to $2,040,000. The net proceeds of $28,763,915 less $333,963 in issuance costs were used to purchase U.S. government securities that were placed into an irrevocable trust for the purpose of providing for all future debt service payments of the 2004 Series Bonds. Accordingly, these bonds are considered to be defeased, and the bonds have been removed from the Statement of Net Position of the Water Fund. The difference between assets placed in the irrevocable trust and the outstanding balance of the bonds plus the net book value of the bonds' deferred issuance costs resulted in a deferred loss on refunding of $2,361,967 amortized over the life of the bond issue, and an economic gain of $1,635,590, which is the difference between the present value of the debt service payments on the old and new debt.

Note 6: Long-term Obligations, continued

The County is required to maintain 'Debt Service Coverage' as defined in the 2012 Revenue Bonds of 1.15. The County did comply with the requirement.

Prior Year Defeasance of Debt – In prior years, certain Revenue Bond Series were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the liability for the defeased bonds, $31,465,000 and trust account assets are not included in the financial statements. The following schedule provides information about the remaining outstanding balances of the refunded bonds as of June 30, 2014:

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	$ 5,740,000	$ 2,430,000
12/31/1998	Water Improvement	5.35%	Semi-Annually	1/1/1999	6/30/2017	6,405,000	4,490,000	1,915,000
9/1/2004	Water Improvement	4.50%	Semi-Annually	9/1/2004	7/1/2024	37,490,000	13,100,000	24,390,000
						$ 52,065,000	$ 23,330,000	$ 28,735,000

Series 2010 Revenue Bonds

On June 17, 2010 the County issued the Series 2010 Revenue Bonds, par value of $2,875,000 in order to purchase the remaining land for the Bear Creek Reservoir project. Bonds consisted of total principal value of $2,875,000 with a coupon rate of 3.205%. Payment dates range from January 1, 2011 to July 1, 2020. Total interest for the ten year bonds will total $534,812.14 with total debt service amounting to $3,409,812.14. The bonds are subject to federal arbitrage regulations.

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, 2014	$ 962,596	$ 338,522
		Amortizaton included

Future mimimum lease payments at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	
2015	$ 195,136
2016	51,329
2017	16,147
Total minimum lease payments	262,612
Less: Interest portion of minimum lease payments	(10,307)
Present value of minimum lease payments	$ 252,305

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2014 are as follows:

Governmental Activities

Year Ending	COPS - Jail Pods		COPS - Admin Bldg.		GEFA		Miracle League - Newton Federal	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 500,000	$ 43,898	$ 425,000	$ 312,765	$ 142,271	$ 15,170	162,725	$ 21,918
2016	505,000	34,451	445,000	294,253	149,211	8,230	196,714	4,714
2017	515,000	24,863	465,000	272,615	77,328	1,397	42,384	251
2018	530,000	15,040	490,000	250,945	-	-	-	-
2019	535,000	5,029	505,000	228,275	-	-	-	-
2020-2024	-	-	2,905,000	778,325	-	-	-	-
2025-2029	-	-	2,060,000	138,380	-	-	-	-
	$ 2,585,000	$ 123,281	$ 7,295,000	$ 2,275,558	$ 368,810	$ 24,797	401,823	$ 26,883

					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
2015	$ 530,000	$ 28,444	$ 182,846	$ 62,816	$ 187,500	$ 12,600	$ 10,998	$ 4,647
2016	550,000	9,598	192,488	53,174	187,500	11,100	11,518	4,126
2017	-	-	202,638	43,023	225,000	9,600	12,063	3,581
2018	-	-	213,324	32,338	225,000	7,800	12,634	3,011
2019	-	-	224,573	21,088	225,000	6,000	13,231	2,413
2020-2024	-	-	289,186	9,634	525,000	6,300	43,644	3,363
	$ 1,080,000	$ 38,042	$ 1,305,055	$ 222,072	$ 1,575,000	$ 53,400	$ 104,088	$ 21,141

Note 6: Long-term Obligations, continued

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2014 are as follows:

Enterprise Activities

Year Ending June 30,	Water Fund Revenue Bonds 2012		Water Fund Revenue Bonds 2010		Water Fund GEFA		Solid Waste Fund GEFA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 1,795,000	$ 443,279	$ 275,000	$ 63,218	$ 35,802	$ 10,712	$ 147,267	$ 138,820
2016	1,825,000	403,096	285,000	53,885	36,306	10,208	152,977	133,110
2017	1,865,000	362,137	290,000	45,030	36,818	9,697	158,908	127,179
2018	1,905,000	320,291	300,000	35,576	37,337	9,177	165,070	121,018
2019	1,950,000	277,500	-	-	37,863	8,651	171,470	114,618
2020-2024	9,590,000	737,928	960,000	46,793	197,469	35,103	962,381	468,056
2025-2029	1,935,000	21,478	-	-	211,778	20,793	1,163,990	266,448
2030-2034	-	-	-	-	188,158	5,651	788,547	45,875
	$ 20,865,000	$ 2,565,709	$ 2,110,000	$ 244,502	$ 781,531	$ 109,992	$ 3,710,610	$ 1,415,124

Note 6: Long-term Obligations, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended June 30, 2014 are as follows:

Enterprise Activities:	June 30, 2013	Increases	Decreases	June 30, 2014	Due within one year
Revenue Bonds:					
2010 bonds	$ 2,375,000	$ -	$ 265,000	$ 2,110,000	$ 275,000
2012 bonds	22,665,000	-	1,800,000	20,865,000	1,795,000
Notes payable:					
Water-GEFA	810,986	-	29,455	781,531	35,802
Solid Waste Fund-GEFA	3,852,381	-	141,770	3,710,611	147,267
Capial lease obligations:					
Solid Waste Fund	344,812	-	92,508	252,304	187,864
Landfill postclosure	5,293,874	1,246,143	-	6,540,017	118,366
	$ 35,342,053	$ 1,246,143	$ 2,328,733	$ 34,259,463	$ 2,559,299

The Cornish Creek Water fund incurred total interest costs of $748,856 of which all was expensed. The Solid Waste fund incurred $157,877 of interest costs that was expensed. The total interest incurred for Business-type Activities was $906,733.

Component Units:

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

	June 30, 2013	Increases	Decreases	June 30, 2014	Due within one year
Notes & Revenue bonds	$ 10,289,000	$ 10,800,883	$ 2,585,380	$ 18,504,503	$ 1,939,369

The annual debt service requirements for the Newton County Water and Sewer Authority are as follows:
***Not including a provision for construction line of credit of which $14,071,563 had been drawn as of year end.

Fiscal Year End	Principal	Interest
2015	$ 1,939,369	$ 129,699
2016	1,962,418	106,665
2017	1,987,529	83,209
2018	2,009,705	59,333
2019	100,571	44,621
2020-2024	505,820	164,268
2025-2029	483,024	89,565
2030-2033	345,534	17,104
	$ 9,333,970	$ 694,464

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.	$7,769,000

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.

Plan Membership

Retirees and beneficiaries receiving benefits	73
Terminated plan members entitled to but not receiving benefits	70
Disabled and in Pay Status	3
Active plan members	44
Total	190

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.

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

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, 2014 (the most recent actuarial valuation date), the County's total covered payroll for employees was $2,422,947. The required contribution for the plan year is $373,938, which represents 16.2% of covered payroll.

Annual Pension Cost

The County's required and actual employer contribution was $373,938 for the 2014 Plan Year.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation for the year beginning January 1, 2014. Additional information as of the latest actuarial valuation follows.

Valuation date	January 1, 2014
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	7.5%
Projected salary increases	2.0%-4.5% 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
1/1/2014	$ 319,619	N/A	N/A	$ (77,920)
1/1/2013	318,839	375,724	118%	(21,035)
1/1/2012	269,018	268,903	100%	(21,150)
1/1/2011	225,073	224,958	100%	(21,265)

Net Pension Obligation - beginning	$ (21,035)
Annual Required Contribution (ARC)	318,839
Contribution to Plan	(375,724)
Net Pension Obligation - ending	$ (77,920)

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

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
12/31/2013	3,493,912	6,103,986	2,610,074	57.2%	2,422,947	107.7%

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, 2014 were $1,481,403. 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.

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 2013	FYE 2014
Unpaid Claims, beginning of year	$ 55,227	$ 53,817
Incurred Claims	(159,212)	(514,485)
Claim Payments	157,802	515,723
Unpaid Claims, end of year	$ 53,817	55,055

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 $116,844.

Newton Health System, Inc (Newton Medical Center)
In March 2012, the Newton Health System, Inc. refinanced the 2007 Revenue Refunding Certificates to lower interest rate from 4.15% to 2.47%. The County, pursuant to a 2007 contract, has guaranteed the payments against these certificates if the hospital is unable to make the payments from its gross revenues. As of December 31, 2013, the hospital's fiscal year end, the balance on the certificates guaranteed by the County was $14,100,000.
Complete financial statements of the Four County Industrial Development Authority can be obtained directly from:

Newton Health System, Inc.
5126 Hospital Drive
Covington, GA 30014

Note 9: Commitments and Contingencies, continued

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.

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.

Note 10: Joint Ventures, continued

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, 2014 totaled $6,740,378 for the Municipal Solid Waste Landfill (MSWL-1) and Municipal Solid Waste Landfill (MSWL-2) sites, and $1,077,297 for the Construction and Demolition (C&D) site, and $955,000 for the required Corrective Action Plan. These amounts are based on the estimated liability times management's estimate of the percentage of landfill capacity used at June 30, 2014 which is 100% of the MSWL-1 site, 62.00% 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 $2,232,658 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 2014.

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 two notes from Walton County maturing in 2020 and bearing interest rates between 5.5%. Two notes require monthly payments of $22,615 and $18,307.

Interest and principal for notes receivable from Walton County are due per the following schedule:

	Walton County	
	Principal	**Interest**
2015	43,074	16,063
2016	45,589	13,548
2017	48,251	10,886
2018	51,069	8,069
2019	54,051	5,087
2020	55,346	1,666
	$ 297,380	$ 55,319

Note 13: Subsequent Events

Before the prior year ended June 30, 2013, the Georgia Environmental Financing Authority committed to loan the county approximately $21,000,000 to begin construction on the Bear Creek Reservoir. As of the date of this report, construction had not begun.

Required Supplementary Information

NEWTON COUNTY, GEORGIA
Required Supplementary Information
June 30, 2014

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
12/31/2013	$ 3,493,912	$ 6,103,986	$ 2,610,074	57.2%	$ 2,422,947	107.7%
12/31/2012	3,396,095	6,075,281	2,679,186	55.9%	2,520,905	106.3%
12/31/2011	3,732,373	5,970,957	2,238,584	62.5%	2,466,678	90.8%
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%

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Chief Executive:		-		
Personal services	$ 1,116,390	$ 1,116,390	$ 1,031,755	$ 84,635
Purchased /Contracted Services	842,941	842,941	1,003,479	(160,538)
Supplies	26,175	26,175	38,674	(12,499)
Interfund Reimbursements	(184,568)	(184,568)	100,212	(284,780)
Other	100,000	84,000	440	83,560
	1,900,938	1,884,938	2,174,560	(289,622)
Elections:				
Personal services	261,935	261,935	243,978	17,957
Purchased /Contracted Services	109,962	109,962	80,529	29,433
Supplies	6,600	6,600	4,644	1,956
	378,497	378,497	329,151	49,346
Data Processing:				
Personal services	265,153	265,153	281,690	(16,537)
Purchased /Contracted Services	230,165	230,165	198,031	32,134
Supplies	41,913	41,913	33,357	8,556
	537,231	537,231	513,078	24,153
Human Resources:				
Personal services	251,060	251,060	266,652	(15,592)
Purchased /Contracted Services	24,632	25,132	18,243	6,889
Supplies	3,164	2,664	1,761	903
	278,856	278,856	286,656	(7,800)
Tax Commissioner:				
Personal services	770,044	770,044	783,467	(13,423)
Purchased /Contracted Services	150,232	150,232	84,292	65,940
Supplies	21,100	21,100	17,991	3,109
	941,376	941,376	885,750	55,626
Tax Assessor:				
Personal services	764,272	764,272	728,362	35,910
Purchased /Contracted Services	113,241	113,241	115,373	(2,132)
Supplies	12,960	12,960	10,648	2,312
	890,473	890,473	854,383	36,090
General Government Buildings & Plant				
Personal services	231,142	231,142	220,467	10,675
Purchased /Contracted Services	218,192	216,242	193,009	23,233
Supplies	341,300	343,250	314,906	28,344
	790,634	790,634	728,382	62,252
TOTAL GENERAL GOVERNMENT	5,718,005	5,702,005	5,771,960	(69,955)

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL				
Superior Court:				
Personal services	$ 298,678	$ 298,678	$ 345,193	$ (46,515)
Purchased /Contracted Services	411,097	411,097	373,220	37,877
Supplies	21,900	21,900	32,627	(10,727)
	731,675	731,675	751,040	(19,365)
Clerk of Courts:				
Personal services	849,373	849,373	874,512	(25,139)
Purchased /Contracted Services	239,620	239,620	189,735	49,885
Supplies	26,491	26,491	24,960	1,531
	1,115,484	1,115,484	1,089,207	26,277
District Attorney:				
Personal services	1,015,716	1,015,716	974,795	40,921
Purchased /Contracted Services	53,954	53,854	50,481	3,373
Supplies	26,546	26,646	26,114	532
	1,096,216	1,096,216	1,051,390	44,826
Magistrate Court:				
Personal services	230,479	230,479	229,525	954
Purchased /Contracted Services	20,455	20,455	17,409	3,046
Supplies	7,000	7,000	6,537	463
	257,934	257,934	253,471	4,463
Probate Court:				
Personal services	405,554	405,554	406,332	(778)
Purchased /Contracted Services	49,050	49,050	48,054	996
Supplies	5,452	5,452	6,299	(847)
	460,056	460,056	460,685	(629)
Juvenile Court:				
Personal services	647,435	647,435	647,040	395
Purchased /Contracted Services	150,353	144,911	168,257	(23,346)
Supplies	11,830	17,272	20,686	(3,414)
	809,618	809,618	835,983	(26,365)
Public Defender:				
Personal services	378,398	378,398	372,942	5,456
Purchased /Contracted Services	24,090	23,690	16,970	6,720
Supplies	8,325	8,725	10,465	(1,740)
	410,813	410,813	400,377	10,436
TOTAL JUDICIAL	4,881,796	4,881,796	4,842,153	39,643

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Sheriff:				
Personal services	$ 8,039,207	$ 8,039,207	$ 7,762,351	$ 276,856
Purchased /Contracted Services	900,841	898,527	1,052,643	(154,116)
Supplies	912,713	915,027	759,425	155,602
	9,852,761	9,852,761	9,574,419	278,342
Jail Operations:				
Personal services	5,063,127	5,063,127	5,502,689	(439,562)
Purchased /Contracted Services	2,070,328	2,088,328	2,180,629	(92,301)
Supplies	2,114,660	2,096,660	1,816,065	280,595
	9,248,115	9,248,115	9,499,383	(251,268)
Fire:				
Personal services	4,282,561	4,282,561	4,272,119	10,442
Purchased /Contracted Services	346,233	343,033	518,035	(175,002)
Supplies	296,100	299,300	360,140	(60,840)
	4,924,894	4,924,894	5,150,294	(225,400)
Coroner:				
Personal services	40,009	40,009	45,864	(5,855)
Purchased /Contracted Services	23,635	23,635	18,699	4,936
Supplies	8,500	8,500	7,277	1,223
	72,144	72,144	71,840	304
Other Protective Services:				
Personal services	583,880	583,880	598,481	(14,601)
Purchased /Contracted Services	63,504	63,504	60,249	3,255
Supplies	80,315	80,315	54,229	26,086
	727,699	727,699	712,959	14,740
TOTAL PUBLIC SAFETY	24,825,613	24,825,613	25,008,895	(183,282)
PUBLIC WORKS				
Public Works Administration:				
Personal services	1,736,515	1,736,515	1,737,348	(833)
Purchased /Contracted Services	603,964	638,064	668,572	(30,508)
Supplies	1,946,070	1,911,970	1,868,642	43,328
	4,286,549	4,286,549	4,274,562	11,987
Traffic Engineering:				
Personal services	197,721	197,721	290,706	(92,985)
Purchased /Contracted Services	54,225	54,225	67,369	(13,144)
Supplies	9,600	9,600	6,941	2,659
	261,546	261,546	365,016	(103,470)
Solid Waste Recycling:				
Personal services	119,845	119,845	119,970	(125)
Purchased /Contracted Services	5,220	4,414	4,111	303
Supplies	7,380	8,186	7,969	217
	132,445	132,445	132,050	395

NEWTON COUNTY, GEORGIA
General Fund
Schedule of Expenditures Compared to Budget (GAAP Basis)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Maintenance & Shop:				
Personal services	$ 322,331	$ 322,331	$ 329,532	$ (7,201)
Purchased /Contracted Services	55,000	55,000	22,606	32,394
Supplies	110,000	110,000	51,405	58,595
	487,331	487,331	403,543	83,788
TOTAL PUBLIC WORKS	5,167,871	5,167,871	5,175,171	(7,300)
HEALTH & WELFARE				
Welfare:				
Other Costs	733,255	733,255	733,255	-
TOTAL HEALTH & WELFARE	733,255	733,255	733,255	-
CULTURE & RECREATION				
Recreation:				
Personal services	-	-	9	(9)
Debt service	1,686,934	1,702,934	1,708,569	(5,635)
	1,686,934	1,702,934	1,708,578	(5,644)
Parks:				
Personal services	79,174	79,174	79,847	(673)
Purchased /Contracted Services	5,376	5,376	3,722	1,654
Supplies	12,200	12,200	8,195	4,005
	96,750	96,750	91,764	4,986
Libraries:				
Other Costs	916,452	916,452	916,452	-
	916,452	916,452	916,452	-
TOTAL CULTURE & RECREATION	2,700,136	2,716,136	2,716,794	(658)
HOUSING & DEVELOPMENT				
Conservation:				
Personal services	34,271	34,271	33,005	1,266
Purchased /Contracted Services	52,746	52,746	54,343	(1,597)
Supplies	3,750	3,750	2,150	1,600
	90,767	90,767	89,498	1,269
Urban Redevelopmen:				
Personal services	-	-	1,389	(1,389)
Purchased /Contracted Services	-	-	78,434	(78,434)
Supplies	-	-	21	(21)
	-	-	79,844	(79,844)
Planning & Zoning:				
Personal services	763,070	763,070	631,310	131,760
Purchased /Contracted Services	168,857	167,240	298,282	(131,042)
Supplies	17,700	19,317	18,358	959
	949,627	949,627	947,950	1,677
Economic Development:				
Other Costs	150,500	150,500	150,500	-
	150,500	150,500	150,500	-
TOTAL HOUSING & DEVELOPMENT	1,190,894	1,190,894	1,267,792	(76,898)
GRAND TOTAL	$ 45,217,570	$ 45,217,570	$ 45,516,020	$ (298,450)

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, 2014

	Project Budget	Prior Years	Current Year	Total To Date
REVENUES				
Taxes	$ 58,800,000	$ 37,991,722	$ -	$ 37,991,722
Intergovernmental	-	395,511	4,123,474	4,518,985
Interest	-	3,123,298	7,277	3,130,575
Miscellaneous	-	2,840	-	2,840
Total Revenues	58,800,000	41,513,371	4,130,751	45,644,122
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	34,464,727	1,398,035	35,862,762
Debt service	42,500,000	17,670,163	-	17,670,163
Total Expenditures	97,700,000	61,793,913	1,398,035	63,191,948
Excess of revenues over (under) expenditures	(38,900,000)	(20,280,542)	2,732,716	(17,547,826)
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds & capital leases	38,900,000	44,901,029	-	44,901,029
Transfers in	-	171,474	-	171,474
Total other financing sources (uses)	38,900,000	45,072,503	-	45,072,503
Excess of revenues and other sources over (under) expenditures and other uses	$ -	$ 24,791,961	2,732,716	$ 27,524,677
Fund balance - beginning			11,806,015	
Fund balance - ending			$ 14,538,731	

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, 2014

	Project Budget	Prior Years	Current Year	Total To Date
REVENUES				
Taxes	$ 57,600,000	$ 21,679,831	$ 10,509,808	$ 32,189,639
Intergovernmental	-	78,750	26,250	105,000
Interest	-	6,859	12,247	19,106
Miscellaneous	-	200	35,487	35,687
Total Revenues	57,600,000	21,765,640	10,583,792	32,349,432
EXPENDITURES				
Current:				
General government	-	550	280	830
Intergovernmental	16,619,140	3,807,975	1,845,023	5,652,998
Capital outlay	32,480,860	5,089,824	2,643,638	7,733,462
Debt Service	8,500,000	683,655	732,100	1,415,755
Total Expenditures	57,600,000	9,582,004	5,221,041	14,803,045
Excess of revenues over (under) expenditures	-	12,183,636	5,362,751	17,546,387
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds & capital leases	-	1,250,000	784,735	2,034,735
Transfers in	-	102,492	-	102,492
Transfers (out)	-	(3,690,076)	(757,052)	(4,447,128)
Total other financing sources (uses)	-	(2,337,584)	27,683	(2,309,901)
Excess of revenues and other sources over (under) expenditures and other uses	$ -	$ 9,846,052	5,390,434	$ 15,236,486
Fund balance - beginning			9,846,052	
Fund balance - ending			$ 15,236,486	

NEWTON COUNTY, GEORGIA
Impact Fee fund
Comparative Schedule of Revenues, Expenditures
And Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Project Budget	Prior Year	Current Year	Total To Date
Revenues:				
Impact Fees	$ 248,019	$ 6,043,377	$ 248,019	$ 6,291,396
Miscellaneous	-	301	-	301
Interest	-	345,543	1,514	347,057
Total Revenues	248,019	6,389,221	249,533	6,638,754
Expenditures:				
Personal services	-	125,717	670,153	795,870
Purchased/contracted services	-	1,155	1,563,578	1,564,733
Capital outlay	-	304,488	0	304,488
Debt service	-	-	561,479	561,479
Interfund Reimbursements	-	-	3,486,922	
Total Expenditures	-	431,360	6,282,132	3,226,570
Excess of revenues over (under) expenditures	248,019	5,957,861	(6,032,599)	3,412,184
Other financing sources (uses):				
Transfers in	-	-	1,700,000	1,700,000
Total other financing sources (uses)	-	-	1,700,000	1,700,000
Excess of revenue and other financing sources over expenditures	$ 248,019	$ 5,957,861	(4,332,599)	$ 5,112,184
Fund balance, beginning			2,789,717	
Fund balance, ending			$ (1,542,882)	

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.

Sheriff's Special Revenue - 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 Grant – This fund is used to account for Neighborhood Stabilization Program grant received by the government to enhance and improve neighborhoods that are in distress.

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.

FEMA Fund – This fund is used to account for the federal grant monies received from FEMA.

Debt Service Fund

Debt Service funds are used to account for the accumulation and disbursement 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, 2014

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 3,098,406	$ 161,612	$ 2,006,237	$ 5,266,255
Investments	-	1,974,323	181,258	2,155,581
Taxes receivable	51,255	-	-	51,255
Due from other governments	119,020	314,338	-	433,358
Due from others	331,820	-	57,706	389,526
Inventory	10,197	-	-	10,197
Total assets	$ 3,610,698	$ 2,450,273	$ 2,245,201	$ 8,306,172
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 340,938	$ -	$ 511,536	$ 852,474
Due to other funds	171,633	-	1,500,000	1,671,633
Due to other governments	307,892	-	-	307,892
Due to others	58,768	-	-	58,768
Total liabilities	879,231	-	2,011,536	2,890,767
Deferred Inflows of Resources:				
Unavailable property taxes	46,219	-	-	46,219
Fund Balance:				
Nonspendable - Prepaid & inventory	10,197	-	-	10,197
Restricted:				
General Government	276,553	-	-	276,553
Judicial	314,857	-	-	314,857
Public Safety	2,095,593	-	-	2,095,593
Public Works	(14,830)	-	-	(14,830)
Culture & recreation	(8,372)	-	-	(8,372)
Health & welfare	11,250	-	-	11,250
Debt Service	-	2,450,273	-	2,450,273
Capital projects	-	-	233,665	233,665
Total fund balances	2,685,248	2,450,273	233,665	5,369,186
Total liabilities, deferred inflows and fund balances	$ 3,610,698	$ 2,450,273	$ 2,245,201	$ 8,306,172

NEWTON COUNTY, GEORGIA
All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 1,169,564	$ -	$ -	$ 1,169,564
Intergovernmental	1,204,775	-	1,045,008	2,249,783
Charges for services	1,729,009	-	-	1,729,009
Fines and forfeitures	566,027	-	-	566,027
Investment income	3,115	532	2,195	5,842
Miscellaneous	68,228	-	-	68,228
Total revenues	4,740,718	532	1,047,203	5,788,453
EXPENDITURES				
Current:				
General government	15,920	-	-	15,920
Judicial	782,259	-	-	782,259
Public safety	4,037,274	-	-	4,037,274
Public works	5,566	-	-	5,566
Health and welfare	31,537	-	-	31,537
Culture and recreation	270	-	-	270
Housing and development	104,193	-	-	104,193
Debt Service:				
Principal	-	1,474,223	-	1,474,223
Interest	-	524,234	-	524,234
Capital outlay	-	-	2,112,167	2,112,167
Total expenditures	4,977,019	1,998,457	2,112,167	9,087,643
Excess of revenues over (under) expenditures	(236,301)	(1,997,925)	(1,064,964)	(3,299,190)
Other financing sources (uses)				
Proceeds from debt	360,000	-	-	360,000
Transfers in	474,331	1,438,506	-	1,912,837
Transfers (out)	(1,620,611)	-	(1,500,000)	(3,120,611)
Total other financing sources (uses)	(786,280)	1,438,506	(1,500,000)	(847,774)
Net change in fund balance	(1,022,581)	(559,419)	(2,564,964)	(4,146,964)
Fund balance - beginning	3,707,829	3,009,692	2,798,629	9,516,150
Fund balance - ending	$ 2,685,248	$ 2,450,273	$ 233,665	$ 5,369,186

NEWTON COUNTY, GEORGIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2014

ASSETS	**Fire Districts**	**Drug Rehab/ Education**	**Juvenile Trust**	**Forfeited Funds**	**Seized Funds**	**County Jail Fund**	**District Attorney**
Cash	$ 1,636,992	$ 27,014	$ 102,295	$ 149,978	$ 58,768	$ 277,769	$ 115,499
Due from others	-	7,061	2,732	-	-	9,042	-
Due from other governments	2,364	2,022	-	-	-	7,011	-
Inventory	10,197	-	-	-	-	-	-
Total Assets	$ 1,700,808	$ 36,097	$ 105,027	$ 149,978	$ 58,768	$ 293,822	$ 115,499
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities:							
Accounts payable	$ 153,819	$ 1,000	$ 115	$ -	$ -	$ 1,919	$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to others	-	-	-	-	58,768	-	-
Total Liabilities	153,819	1,000	115	-	58,768	1,919	-
Deferred inflows of resouces:							
Unavailable property taxes	46,219	-	-	-	-	-	-
Fund Balance:							
Nonspendable:							
Prepaid & inventory	10,197	-	-	-	-	-	-
Restricted:							
General Government	-	-	-	-	-	-	-
Judicial	-	-	104,912	-	-	-	115,499
Public Safety	1,490,573	35,097	-	149,978	-	291,903	-
Public Works	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Health & welfare	-	-	-	-	-	-	-
Total Fund Balance	1,500,770	35,097	104,912	149,978	-	291,903	115,499
Total Liabilities, Deferred Inflows and Fund Balance	$ 1,700,808	$ 36,097	$ 105,027	$ 149,978	$ 58,768	$ 293,822	$ 115,499

ASSETS	Law Library	Real Estate Grant	E-911	Sheriff Special Revenue	Multiple Grant	NSP Grant	Totals
Cash	$ 92,323	$ 9,030	$ 470,292	$ 27,404	$ 131,042	$ -	$ 3,098,406
Due from others	-	-	242,232	-	68,995	1,758	331,820
Due from other governments	-	-	-	-	107,623	-	119,020
Inventory	-	-	-	-	-	-	10,197
Total Assets	$ 92,323	$ 9,030	$ 712,524	$ 27,404	$ 307,660	$ 1,758	$ 3,610,698
LIABILITIES, DEFERRED OF RESOURCES AND FU							
Liabilities:							
Accounts payable	$ -	$ -	$ 175,219	$ -	$ 8,866	$ -	$ 340,938
Due to other funds	-	-	171,633	-	-	-	171,633
Due to other governments	-	-	307,892	-	-	-	307,892
Due to others	-	-	-	-	-	-	58,768
Total Liabilities	-	-	654,744	-	8,866	-	879,231
Deferred inflows of resouces:							
Unavailable property taxes	-	-	-	-	-	-	46,219
Fund Balance:							
Nonspendable:							
Prepaid & inventory	-	-	-	-	-	-	10,197
Restricted:							
General Government	-	-	-	-	274,795	1,758	276,553
Judicial	92,323	9,030	-	-	(6,907)		314,857
Public Safety	-	-	57,780	27,404	42,858	-	2,095,593
Public Works	-	-	-	-	(14,830)	-	(14,830)
Culture & recreation	-	-	-	-	(8,372)	-	(8,372)
Health & welfare	-	-	-	-	11,250	-	11,250
Total Fund Balance	92,323	9,030	57,780	27,404	298,794	1,758	2,685,248
Total Liabilities, Deferred Inflows and Fund Balance	$ 92,323	$ 9,030	$ 712,524	$ 27,404	$ 307,660	$ 1,758	$ 3,610,698

NEWTON COUNTY, GEORGIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014

REVENUES	Fire Districts	Drug Rehab/ Education	Juvenile Trust	Forfeited Funds	Seized Funds	County Jail Fund	District Attorney
Revenues:							
Taxes	$ 1,169,564	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	3,724	-	-	-	-	-	66
Charges for services	-	-	-	-	-	-	-
Fines & forfeitures	-	119,284	25,508	95,460	-	193,289	92,203
Investment income	1,539	17	105	38	-	259	19
Miscellaneous	-	-	-	31,955	-	-	-
Total Revenues	1,174,827	119,301	25,613	127,453	-	193,548	92,288
EXPENDITURES							
General government	-	-	-	-	-	-	-
Judicial	-	-	27,968	-	-	-	91,702
Public safety	804,879	25,752	-	150,548	-	168,298	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Total Expenditures	804,879	25,752	27,968	150,548	-	168,298	91,702
Revenues over (under) expenditures	369,948	93,549	(2,355)	(23,095)	-	25,250	586
OTHER FINANCING SOURCES (USES)							
Proceeds from debt	360,000	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-
Transfer (out)	(1,619,993)	-	(618)	-	-	-	-
	(1,259,993)	-	(618)	-	-	-	-
Revenues and other sources over (under) expenditures	(890,045)	93,549	(2,973)	(23,095)	-	25,250	586
Fund Balance - Beginning	2,390,815	(58,452)	107,885	173,073	-	266,653	114,913
Fund Balance - Ending	$ 1,500,770	$ 35,097	$ 104,912	$ 149,978	$ -	$ 291,903	$ 115,499

REVENUES	Law Library	Real Estate Grant	E-911	Sheriff Special Revenue	Multiple Grant	NSP Grant	Totals
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,169,564
Intergovernmental	-	9,660	16,259	-	1,114,701	60,365	1,204,775
Charges for services	-	-	1,701,812	-	27,197	-	1,729,009
Fines & forfeitures	40,283	-	-	-	-	-	566,027
Investment income	265	-	216	-	657	-	3,115
Miscellaneous	-	-	-	32,278	3,995	-	68,228
Total Revenues	40,548	9,660	1,718,287	32,278	1,146,550	60,365	4,740,718
EXPENDITURES							
General government	-	-	-	-	15,920	-	15,920
Judicial	44,107	44,868	-	-	573,614	-	782,259
Public safety	-	-	2,405,929	21,779	460,089	-	4,037,274
Public works	-	-	-	-	5,566	-	5,566
Health and welfare	-	-	-	-	31,537	-	31,537
Culture and recreation	-	-	-	-	270	-	270
Housing and development	-	-	-	-	45,000	59,193	104,193
Total Expenditures	44,107	44,868	2,405,929	21,779	1,131,996	59,193	4,977,019
Revenues over (under) expenditures	(3,559)	(35,208)	(687,642)	10,499	14,554	1,172	(236,301)
OTHER FINANCING SOUI							
Proceeds from debt	-	-	-	-	-	-	360,000
Transfer in	-	-	400,000	-	74,331	-	474,331
Transfer (out)	-	-	-	-	-	-	(1,620,611)
	-	-	400,000	-	74,331	-	(786,280)
Revenues and other sources over (under) expenditures	(3,559)	(35,208)	(287,642)	10,499	88,885	1,172	(1,022,581)
Fund Balance - Beginning	95,882	44,238	345,422	16,905	209,909	586	3,707,829
Fund Balance - Ending	$ 92,323	$ 9,030	$ 57,780	$ 27,404	$ 298,794	$ 1,758	$ 2,685,248

NEWTON COUNTY, GEORGIA
Fire Districts Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 1,636,992
Taxes receivable	51,255
Inventory	10,197
Due from other governments	2,364
Total Assets	$ 1,700,808
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 153,819
Total Liabilities	153,819
Deferred Inflows-	
Unavailable property taxes	46,219
Fund Balance-	
Nonspendable - Prepaid and inventory	10,197
Restricted - Public Safety	1,490,573
Total Liabilities, Deferred Inflows and Fund Balance	$ 1,700,808

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,500,000	$ 1,500,000	$ 1,169,564	$ (330,436)
Intergovernmental	-	-	3,724	3,724
Interest	-	-	1,539	1,539
Total Revenues	1,500,000	1,500,000	1,174,827	(325,173)
EXPENDITURES				
Public safety	1,000,000	1,000,000	804,879	195,121
Total Expenditures	1,000,000	1,000,000	804,879	195,121
Revenues over (under) expenditures	500,000	500,000	369,948	(130,052)
Other Financing Sources and uses:				
Proceeds from Debt	-	-	360,000	360,000
Transfer (out)	500,000	500,000	(1,619,993)	2,119,993
	500,000	500,000	(1,259,993)	2,479,993
Revenues over (under) expenditures and other financing sources (uses)	$ 1,000,000	$ 1,000,000	(890,045)	$ (2,250,045)
Fund Balance - Beginning			2,390,815	
Fund Balance - Ending			$ 1,500,770	

NEWTON COUNTY, GEORGIA
Drug Rehab/Education Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 27,014
Accounts receivable	7,061
Due from other governments	2,022
Total Assets	$ 36,097
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 1,000
Total Liabilities	1,000
Fund Balance:	
Restricted - Public Safety	35,097
Total Liabilities and Total Liabilities and Fund Balance	$ 36,097

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 150,000	$ 150,000	$ 119,284	$ (30,716)
Interest	-	-	17	17
Total Revenues	150,000	150,000	119,301	(30,699)
EXPENDITURES				
Public safety	150,000	150,000	25,752	124,248
Total Expenditures	150,000	150,000	25,752	124,248
Revenues over (under) expenditures	$ -	$ -	93,549	$ 93,549
Fund Balance - Beginning			(58,452)	
Fund Balance - Ending			$ 35,097	

NEWTON COUNTY, GEORGIA
Juvenile Trust Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 102,295
Accounts receivable	2,732
Total Assets	$ 105,027
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 115
Due to other funds	-
Total Liabilities	115
Fund Balance:	
Restricted - Judicial	104,912
Total Liabilities and Total Liabilities and Fund Balance	$ 105,027

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Fines & law enforcement	$ 30,000	$ 30,000	$ 25,508	$ (4,492)
Interest	-	-	105	105
Total Revenues	30,000	30,000	25,613	(4,387)
EXPENDITURES				
Judicial	30,000	30,000	27,968	2,032
Total Expenditures	30,000	30,000	27,968	2,032
Revenues over (under) expenditures	-	-	(2,355)	(2,355)
Other Financing Sources and uses:				
Transfer (out)	-	-	(618)	618
	-	-	(618)	618
Revenues over (under) expenditures and other financing sources (uses)	$ -	$ -	(2,973)	$ (2,973)
Fund Balance - Beginning			107,885	
Fund Balance - Ending			$ 104,912	

NEWTON COUNTY, GEORGIA
Forfeited Drug Seizure Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 149,978
Total Assets	$ 149,978
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Public Safety	$ 149,978
Total Liabilities and Fund Balance	$ 149,978

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 100,000	$ 100,000	$ 95,460	$ (4,540)
Interest	-	-	38	38
Other	-	-	31,955	31,955
Total Revenues	100,000	100,000	127,453	27,453
EXPENDITURES				
Public safety	100,000	100,000	150,548	(50,548)
Total Expenditures	100,000	100,000	150,548	(50,548)
Revenues under expenditures	$ -	$ -	(23,095)	$ (23,095)
Fund Balance - Beginning			173,073	
Fund Balance - Ending			$ 149,978	

NEWTON COUNTY, GEORGIA
Seized Funds Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS

Cash	$	58,768
Total Assets	$	58,768

LIABILITIES AND FUND BALANCE

Due to others	$	58,768
Total Liabilities		58,768
Total Liabilities and Total Liabilities and Fund Balance	$	58,768

NEWTON COUNTY, GEORGIA
County Jail Fund Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 277,769
Due from others	9,042
Due from other governments	7,011
Total Assets	$ 293,822
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 1,919
Total Liabilities	1,919
Fund Balance:	
Restricted - Public Safety	291,903
Total Liabilities and Total Liabilities and Fund Balance	$ 293,822

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 175,000	$ 175,000	$ 193,289	$ 18,289
Interest	-	-	259	259
Total Revenues	175,000	175,000	193,548	18,548
EXPENDITURES				
Current operations:				
Public safety	175,000	175,000	168,298	6,702
Total Expenditures	175,000	175,000	168,298	6,702
Revenues over (under) expenditures	-	-	25,250	25,250
Revenues under expenditures and other financing uses	$ -	$ -	25,250	$ 25,250
Fund Balance - Beginning			266,653	
Fund Balance - Ending			$ 291,903	

NEWTON COUNTY, GEORGIA
District Attorney Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 115,499
Total Assets	$ 115,499
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 115,499
Total Liabilities and Fund Balance	$ 115,499

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 100,000	$ 100,000	$ 92,203	$ (7,797)
Interest	-	-	19	19
Intergovernmental	-	-	66	66
Total Revenues	100,000	100,000	92,288	(7,712)
EXPENDITURES				
Judicial	100,000	100,000	91,702	8,298
Total Expenditures	100,000	100,000	91,702	8,298
Revenues over (under) expenditures	$ -	$ -	586	$ 586
Fund Balance - Beginning			114,913	
Fund Balance - Ending			$ 115,499	

NEWTON COUNTY, GEORGIA
Law Library Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 92,323
Total Assets	$ 92,323
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 92,323
Total Liabilities and Fund Balance	$ 92,323

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines & law enforcement	$ 49,000	$ 49,000	$ 40,283	$ (8,717)
Interest	1,000	1,000	265	(735)
Total Revenues	50,000	50,000	40,548	(9,452)
EXPENDITURES				
Judicial	50,000	50,000	44,107	5,893
Total Expenditures	50,000	50,000	44,107	5,893
Revenues over (under) expenditures	$ -	$ -	(3,559)	$ (3,559)
Fund Balance - Beginning			95,882	
Fund Balance - Ending			$ 92,323	

NEWTON COUNTY, GEORGIA
Real Estate Grant Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 9,030
Total Assets	$ 9,030
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Judicial	$ 9,030
Total Liabilities and Fund Balance	$ 9,030

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ 5,000	$ 5,000	$ 9,660	$ 4,660
Total Revenues	5,000	5,000	9,660	4,660
EXPENDITURES				
Judicial	5,000	5,000	44,868	(39,868)
Total Expenditures	5,000	5,000	44,868	(39,868)
Revenues over (under) expenditures	$ -	$ -	(35,208)	$ (35,208)
Fund Balance - Beginning			44,238	
Fund Balance - Ending			$ 9,030	

NEWTON COUNTY, GEORGIA
E-911 Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 470,292
Accounts receivable	242,232
Total Assets	$ 712,524
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 175,219
Due to other funds	171,633
Due to other governments	307,892
Total Liabilities	654,744
Fund Balance:	
Restricted - Public Safety	57,780
Total Liabilities and Fund Balance	$ 712,524

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 1,500,000	$ 1,500,000	$ 1,701,812	$ 201,812
Interest	1,000	1,000	216	(784)
Intergovernmental	-	-	16,259	16,259
Total Revenues	1,501,000	1,501,000	1,718,287	217,287
EXPENDITURES				
Public safety	1,901,000	1,901,000	2,405,929	(504,929)
Total Expenditures	1,901,000	1,901,000	2,405,929	(504,929)
Revenues under expenditures	(400,000)	(400,000)	(687,642)	(287,642)
Other Financing Sources				
Transfers in	400,000	400,000	400,000	-
Revenues and other financing sources under expenditures	$ -	$ -	(287,642)	$ (287,642)
Fund Balance - Beginning			345,422	
Fund Balance - Ending			$ 57,780	

NEWTON COUNTY, GEORGIA
Sheriff Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 27,404
Total Assets	$ 27,404
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Public Safety	$ 27,404
Total Liabilities and Fund Balance	$ 27,404

NEWTON COUNTY, GEORGIA
Sheriff Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Other	$ 50,000	$ 50,000	$ 32,278	$ (17,722)
Total Revenues	50,000	50,000	32,278	(17,722)
EXPENDITURES				
Public safety	50,000	50,000	21,779	28,221
Total Expenditures	50,000	50,000	21,779	28,221
Revenues over (under) expenditures	$ -	$ -	10,499	$ 10,499
Fund Balance - Beginning			16,905	
Fund Balance - Ending			$ 27,404	

NEWTON COUNTY, GEORGIA
Multiple Grant Special Revenue Fund
Balance Sheet
June 30, 2014

ASSETS

Cash	$	131,042
Accounts receivable		68,995
Due from other governments		107,623
Total Assets	$	307,660

LIABILITIES AND FUND BALANCE

Accounts payable	$	8,866
Total Liabilities		8,866
Fund Balance:		
Restricted:		
General Government		274,795
Judicial		(6,907)
Public Safety		42,858
Public Works		(14,830)
Culture & recreation		(8,372)
Health & welfare		11,250
Total Fund Balance		298,794
Total Liabilities and Fund Balance	$	307,660

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, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	$ 1,166,000	$ 1,166,000	$ 1,114,701	$ (51,299)
Charges for services	-	-	27,197	27,197
Other	-	-	3,995	3,995
Interest	-	-	657	657
Total Revenues	1,166,000	1,166,000	1,146,550	(19,450)
EXPENDITURES				
General	25,000	25,000	15,920	9,080
Judicial	575,000	575,000	573,614	1,386
Public safety	475,000	475,000	460,089	14,911
Public works	5,500	5,500	5,566	(66)
Health and welfare	35,000	35,000	31,537	3,463
Culture and recreation	500	500	270	230
Housing and development	50,000	50,000	45,000	5,000
Total Expenditures	1,166,000	1,166,000	1,131,996	34,004
Revenues over (under) expenditures	-	-	14,554	14,554
Other financing sources (uses):				
Transfers in	-	-	74,331	74,331
Transfers (out)			-	
	-	-	74,331	74,331
Revenues over expenditures and other financing sources	$ -	$ -	88,885	$ 88,885
Fund Balance - Beginning			209,909	
Fund Balance - Ending			$ 298,794	

NEWTON COUNTY, GEORGIA
NSP Grant
Balance Sheet
June 30, 2014

ASSETS

Due from others	$ 1,758
Total Assets	$ 1,758

LIABILITIES AND FUND BALANCE

Fund Balance	$ 1,758
Total Liabilities and Fund Balance	$ 1,758

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	$ 60,000	$ 60,000	$ 60,365	$ 365
Total Revenues	60,000	60,000	60,365	365
EXPENDITURES				
Housing and development	60,000	60,000	59,193	807
Total Expenditures	60,000	60,000	59,193	807
Revenues over (under) expenditures	$ -	$ -	1,172	$ 1,172
Fund Balance - Beginning			586	
Fund Balance - Ending			$ 1,758	

NEWTON COUNTY, GEORGIA
Capital Project Funds
Combining Balance Sheet
June 30, 2014

	Capital Improvement Fund	FEMA Grant Fund	Totals
ASSETS			
Cash	$ 1,956,495	$ 49,742	$ 2,006,237
Investments	181,258	-	181,258
Due from others	57,706	-	57,706
Total Assets	$ 2,195,459	$ 49,742	$ 2,245,201
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 511,536	$ -	$ 511,536
Due to other funds	1,500,000	-	1,500,000
Total Liabilities	2,011,536	-	2,011,536
Fund Balance			
Restricted - Capital projects	183,923	49,742	233,665
Total Fund Balance	183,923	49,742	233,665
Total Liabilities and Fund Balance	$ 2,195,459	$ 49,742	$ 2,245,201

NEWTON COUNTY, GEORGIA
Capital Project Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014

	Capital Improvement Fund	FEMA Grant Fund	Totals
REVENUES			
Intergovernmental	$ 1,045,008	$ -	$ 1,045,008
Interest	2,195	-	2,195
Total Revenues	1,047,203	-	1,047,203
EXPENDITURES			
Capital outlay	2,112,167	-	2,112,167
Total Expenditures	2,112,167	-	2,112,167
Excess of revenues over (under) expenditures	(1,064,964)	-	(1,064,964)
Other financing uses:			
Transfers (out)	(1,500,000)	-	(1,500,000)
	(1,500,000)	-	(1,500,000)
Excess of revenues over (under) expenditures and other uses	(2,564,964)	-	(2,564,964)
Fund balance - beginning	2,748,887	49,742	2,798,629
Fund balance - ending	$ 183,923	$ 49,742	$ 233,665

NEWTON COUNTY, GEORGIA
Capital Improvement Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 1,956,495
Investments	181,258
Due from others	57,706
Total Assets	$ 2,195,459
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 511,536
Due to other funds	1,500,000
Total Liabilities	2,011,536
Fund Balance	
Restricted - Capital projects	183,923
Total Fund Balance	183,923
Total Liabilities and Fund Balance	$ 2,195,459

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2014

	Project Budget	Current Year
REVENUES		
Intergovernmental	$ -	$ 1,045,008
Interest	-	2,195
Total Revenues	-	1,047,203
EXPENDITURES		
Capital outlay	1,200,000	2,112,167
Total Expenditures	1,200,000	2,112,167
Excess of revenues (under) expenditures	(1,200,000)	(1,064,964)
Other financing sources (uses):		
Transfers in	1,200,000	-
Transfers (out)	-	(1,500,000)
Excess of revenues under expenditures and other financing sources (uses)	$ -	(2,564,964)
Fund balance - beginning		2,748,887
Fund balance - ending		$ 183,923

NEWTON COUNTY, GEORGIA
FEMA Grant
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 49,742
Total Assets	$ 49,742
LIABILITIES AND FUND BALANCE	
Fund Balance	
Restricted - Capital projects	49,742
Total Fund Balance	49,742
Total Liabilities and Fund Balance	$ 49,742

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2014

	Project Budget	Prior Year	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 607,289	$ 243,772	$ -	$ 243,772
Total Revenues	607,289	243,772	-	243,772
EXPENDITURES				
Capital outlay	607,289	232,050	-	232,050
Total Expenditures	607,289	232,050	-	232,050
Other financing sources (uses):				
Transfers in	-	1,223,864	-	1,223,864
Transfers (out)	-	(600,000)	-	(600,000)
	-	623,864	-	623,864
Excess of revenues over (under) expenditures and other uses	$ -	$ 635,586	-	$ 635,586
Fund balance - beginning			49,742	
Fund balance - ending			$ 49,742	

NEWTON COUNTY, GEORGIA
Debt Service Fund
Balance Sheet
June 30, 2014

ASSETS	
Cash	$ 161,612
Investments	1,974,323
Due from other governments	314,338
Total assets	$ 2,450,273
LIABILITIES AND FUND BALANCE	
Fund Balance:	
Restricted - Debt Service	$ 2,450,273
Total fund balances	2,450,273
Total liabilities and fund balances	$ 2,450,273

Newton County, Georgia
Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Interest income	$ -	$ -	$ 532	$ 532
Total Revenues	-	-	532	532
EXPENDITURES				
Economic development				
Principal payments	1,500,000	1,500,000	1,474,223	25,777
Interest payments	650,000	650,000	524,234	125,766
Total Expenditures	2,150,000	2,150,000	1,998,457	151,543
Excess of revenues over (under) expenditures	(2,150,000)	(2,150,000)	(1,997,925)	152,075
Other financing sources (uses):				
Transfers in	2,150,000	2,150,000	1,438,506	(711,494)
Total Other financing sources (uses)	2,150,000	2,150,000	1,438,506	(711,494)
Net change in fund balances	$ -	$ -	(559,419)	$ (559,419)
Fund balance - beginning			3,009,692	
Fund balance - ending			$ 2,450,273	

Nonmajor Business-type Funds

Enterprise Fund

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

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Net Position
Proprietary Funds
June 30, 2014

	Gaither's Plantation Fund
ASSETS	
Current Assets	
Cash and cash equivalents	$ 3,619
Accounts receivable	6,000
Total current assets	9,619
Capital Assets,	
Being depreciated,	
net of depreciation	193,955
Net capital assets	193,955
Total noncurrent assets	193,955
Total assets	$ 203,574
LIABILITIES	
Current Liabilities	
Accounts payable	$ 1,767
Deposits	2,100
Due to other funds	967
Total liabilities	4,834
NET POSITION	
Net investment in capital assets	193,954
Unrestricted	4,786
Total net position	$ 198,740

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Revenues Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Gaither's Plantation Fund
REVENUES	
Rental income	$ 17,989
Miscellaneous income	96
Total operating revenues	18,085
EXPENSES	
Purchased/Contracted services	26,314
Supplies	13,366
Depreciation & amortization	8,596
Total operating expenses	48,276
Operating income (loss)	(30,191)
Nonoperating revenues (expenses):	
Interest earned	2
Total non-operating revenues (expenses)	2
Income (loss) before Transfers	(30,189)
Other Financing Sources (uses):	
Transfers in	19,078
Total other financing sources (uses)	19,078
Net income	(11,111)
Net position - beginning	209,851
Net position - ending	$ 198,740

NEWTON COUNTY, GEORGIA
Nonmajor Enterprise Fund
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

		Gaither's Plantation Fund
Cash flows from operating activities:		
Cash received from customers	$	16,833
Cash payments for goods and services		(40,005)
Net cash provided by (used for) operating activities		(23,172)
Cash flows from non-capital financing:		
Transfers in (out)		19,078
Repayment of loan other funds		(461)
Net cash from non-capital financing activities		18,617
Cash flows from investing activities:		
Interest received		2
Net cash provided by investing activities		2
Net increase (decrease) in cash & cash equivalents		(4,553)
Cash & cash equivalents, beginning		8,172
Cash & cash equivalents, ending	$	3,619
Cash flows from operating activities:		
Operating income (loss)	$	(30,191)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		8,596
Customer deposits		(1,250)
Accounts payable		(327)
Net cash provided by (used for) operating activities	$	(23,172)

Fiduciary Funds

NEWTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
TAX COMMISSIONER				
Assets				
Cash	$ 266,522	$ 88,624,130	$ 88,692,894	$ 197,758
Receivables	3,906,390	126,307	640,532	3,392,165
	$ 4,172,912	$ 88,750,437	$ 89,333,426	$ 3,589,923
Liabilities				
Due to other governments	$ -	$ 58,341,216	$ 58,341,216	$ -
Due to others	4,172,912	305,087	888,076	3,589,923
	$ 4,172,912	$ 58,646,303	$ 59,229,292	$ 3,589,923
SHERIFF				
Assets				
Cash	$ 73,323	$ 950,979	$ 891,682	$ 132,620
Liabilities				
Due to others	$ 73,323	$ 950,979	$ 891,682	$ 132,620
CLERK OF SUPERIOR COURT				
Assets				
Cash	$ 531,270	$ 3,574,039	$ 3,521,765	$ 583,544
	$ 531,270	$ 3,574,039	$ 3,521,765	$ 583,544
Liabilities				
Due to others	$ 531,270	$ 3,574,039	$ 3,521,765	$ 583,544
	$ 531,270	$ 3,574,039	$ 3,521,765	$ 583,544
PROBATE COURT				
Assets				
Cash	$ 12,290	$ 1,125,181	$ 1,125,184	$ 12,287
	$ 12,290	$ 1,125,181	$ 1,125,184	$ 12,287
Liabilities				
Due to other funds	$ -	$ 934,996	$ 934,996	$ -
Due to other governments	-	190,187	190,187	-
Due to others	12,290	(3)	-	12,287
	$ 12,290	$ 1,125,180	$ 1,125,183	$ 12,287

NEWTON COUNTY, GEORGIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
MAGISTRATE COURT				
Assets				
Cash	$ 74,062	$ 947,325	$ 909,571	$ 111,816
	$ 74,062	$ 947,325	$ 909,571	$ 111,816
Liabilities				
Due to other funds	$ -	$ 218,419	$ 218,419	$ -
Due to other governments	-	120,862	120,862	-
Due to others	74,062	608,043	570,289	111,816
	$ 74,062	$ 947,324	$ 909,570	$ 111,816
JUVENILE COURT				
Assets				
Cash	$ 1,523	$ 36,204	$ 38,115	$ (388)
	$ 1,523	$ 36,204	$ 38,115	$ (388)
Liabilities				
Due to other funds	$ -	$ 30,778	$ 30,778	$ -
Due to others	1,523	7,337	9,248	(388)
	$ 1,523	$ 38,115	$ 40,026	$ (388)
TOTALS				
Assets				
Cash	$ 958,990	$ 94,073,665	$ 93,995,018	$ 1,037,637
Receivables	3,906,390	126,307	640,532	3,392,165
	$ 4,865,380	$ 94,199,972	$ 94,635,550	$ 4,429,802
Liabilities				
Due to other funds	$ -	$ 1,184,193	$ 1,184,193	$ -
Due to other governments	-	58,652,265	58,652,265	-
Due to others	4,865,380	5,445,482	5,881,060	4,429,802
	$ 4,865,380	$ 65,281,940	$ 65,717,518	$ 4,429,802

COMPLIANCE SECTION

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
Fax: 706-342-1041

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

To the Honorable Commissioners of
Newton County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, 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, 2014, and the related notes to the financial statements, which collectively comprise Newton County, Georgia's basic financial statements and have issued our report thereon dated July 20, 2015. 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 basic 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.

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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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. 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 deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2014-1, 2013-1 and 06-3.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of audit findings and responses as items 2014-02 and 2014-3.

We noted certain matters that we reported to management of Newton County, Georgia in a separate letter dated July 20, 2015.

Response to Findings

Newton County's response to the findings identified in our audit is described in the accompanying schedule of findings. Newton County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain other matters that we reported to the management of Newton County, Georgia in a separate letter dated July 20, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.

Madison, Georgia
July 20, 2015

Mauldin, Jenkins & Co

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
Fax: 706-342-1041

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Newton County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Newton County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Newton County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-3. Our opinion on each major program is not modified with respect to this matter.

Newton County, Georgia's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Newton County, Georgia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Newton County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Newton County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Madison, Georgia
July 20, 2015

NEWTON COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
US Dept. of Health and Human Services			
Aging Cluster			
Passed through:			
Northeast Georgia Regional Commission - provided to subrecipients			
Special Programs for the Aging Title III, Part B	93.044	SFY 2014	$ 22,603
Special Programs for the Aging Title III, Part C	93.045	SFY 2014	86,308
Nutrition Services Incentive Program	93.053	SFY 2014	10,941
			119,852
Total US Dept. of Health and Human Services-Cluster			119,852
Passed through:			
Georgia Department of Human Resources - provided to subrecipients			
Community Services Block Grant	93.569	42700-0400000021714	32,463
Community Services Block Grant		42700-040-0000013335	18,413
			50,876
Georgia Department of Human Resources			
Promoting Safe and Stable Families	93.556	2011/2012	9,476
		42700-040C-25593	22,421
			31,897
Northeast Georgia Regional Commission - provided to subrecipients			
National Family Caregiver Support, Title III, Part E	93.052	SFY 2014	3,333
Total Passed through US Dept. of Health and Human Services			86,106
Total US Dept. of Health and Human Services			205,958
US Dept. of Housing and Urban Development			
Passed through:			
Georgia Department of Human Resources			
Community Development Block Grant			
Neighborhood Stabilization Program	14.228	08-ns-5068	56,848
Total US Dept. of Housing and Urban Development			56,848
US Dept. of Justice -			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance			
Edward Byrne Grant	16.738	2012-DJ-BX-0087	10,782
Edward Byrne Grant	16.738	2011-DJ-BX-3128	6,001
Recovery Act - Grants to States and Territories	16.803	2009-SU-B9-003/047	8,673
Total US Dept. of Justice - JAG Program Cluster			$ 25,456

NEWTON COUNTY, GEORGIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Federal/State Pass-through Grant Number	Expenditures
Direct:			
Public Safety Partnership & Community Policing Grant			
Community Policing Grant	16.710	2012-UM-WX-0058	$ 256,494
		2010-UM-WX-0088	123,156
			379,650
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0151	2,268
		2012-AP-BX-0526	7,351
			9,619
Total Direct:			389,269
Passed through:			
Office of the Governor Criminal Justice Coordinating Council			
Juvenile Accountablity	16.523	JB-0910CM-02-003	75,000
Office of Justice Programs			
Governor's Office of Children & Families			
ERC Expansion	16.540	SC12-02-007	72,107
		SC12-03-007	64,215
			136,322
Total Passed Through:			211,322
Total US Dept. of Justice			626,047
US Department of Homeland Security			
Homeland Security Direct Program			
Emergency Food & Shelter Program	97.024	2013	15,000
Total US Department of Homeland Security			15,000
US Department of Transportation			
Passed through:			
Georgia Department of Transportation			
Highway Planning and Construction	20.205	PI#0008186	270
Total US Department of Transportation			270
Total Federal Assistance			$ 904,123

NEWTON COUNTY, GEORGIA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

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, 2014

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*	
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?	X Yes	___ 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:	*Unmodified*	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Other Matters	X Yes	___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	NSP -Community Development
16.710	DoJ – Public Safety Partnership and Community Policing Grants
16.738	DoJ - Edward Byrne Memorial Justice Assistance Grant
16.803	Recovery - Edward Byrne Memorial Justice Assistance

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000	
Auditee qualified as low-risk auditee?	___ Yes	X 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
2013-1

Statement of Condition: In numerous 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.

2014-1

Statement of Condition: Purchase orders should be used for any purchases over $2500. Purchases of items less than $2500 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 $2500, 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

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.

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.

Noncompliance

Significant Deficiency

2014-2

Statement of Condition:	The State of Georgia requires that all governments in the state to submit their annual audit to the Department of Revenue within six months of the year end, of if allowed an extension, then twelve months of year end. The County did not submit their report with the required time.
Criteria:	Management is responsible for the financial statements, which includes assuring that all required deadlines are met.
Effect:	Governments not filing the audit timely with the Department of Audits could become ineligible for state grant funding.
Cause:	The County implemented a new financial software program,and that combined with a reduced staff delayed the preparation of information for the auditors.
Recommendation:	We recommend the County provide additional staffing for the finance department to allow them adequate resources to prepare for the annual audit.
Views of officials:	Management concurs with the above finding, and is continuing to strive for additional assistance.

2014-3

Statement of Condition:	The Federal Audit Clearinghouse requires that all governments that are required to prepare a Single Audit to submit their annual audit to the Clearinghouse within nine months of the year end. The County did not submit their report within the required time.
Criteria:	Management is responsible for the financial statements, which includes assuring that all required deadlines are met.
Effect:	Governments not filing the audit timely with the Federal Audit Clearinghouse could become ineligible for federal grant funding.
Cause:	The County implemented a new financial software program,and that combined with a reduced staff delayed the preparation of information for the auditors.
Recommendation:	We recommend the County provide additional staffing for the finance department to allow them adequate resources to prepare for the annual audit.
Views of officials:	Management concurs with the above finding, and is continuing to strive for additional assistance.

NEWTON COUNTY, GEORGIA
Schedule of Findings and Questioned Costs
June 30, 2013

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

There were no reported findings related to federal awards.

NEWTON COUNTY, GEORGIA
Summary Schedule of Prior Audit Findings
June 30, 2014

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

NEWTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2014

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	$ 2,808,797	$ 1,755,288	$ 4,564,085
Detention Center	3,000,000	-	3,000,000	1,129,519	273,763	1,403,282
Administrative Building	5,000,000	-	5,000,000	2,560,557	483,289	3,043,846
Judicial Expansion	7,000,000	-	7,000,000	67,716	213,642	281,358
Recreation:						
Parks & Facilities	1,000,000	-	1,000,000	161,332	52,595	213,927
Miracle Field	1,500,000	-	1,500,000	297,403	560,812	858,215
District 4 Recreation	500,000	-	500,000	-	12,717	12,717
District 4 Multi-Use	545,000	-	545,000	166,396	42,851	209,247
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 Expar	4,000,000	-	4,000,000	-	-	-
Landfill	500,000	-	500,000	-	-	-
Public Works	500,000	-	500,000	344,360	2,432	346,792
Fleet Replacement	2,500,000	-	2,500,000	1,243,820	6,033	1,249,853
Fire Services Equipment	100,000	-	100,000	-	-	-
City Projects-						
Oxford	1,233,050	-	1,233,050	464,070	224,849	688,919
Porterdale	830,000	-	830,000	312,272	151,300	463,572
Newborn	336,840	-	336,840	125,775	60,941	186,716
Covington	7,466,620	-	7,466,620	2,810,442	1,361,703	4,172,145
Mansfield	252,630	-	252,630	95,415	46,230	141,645
Add: Debt service on funds borrowed to begin authorized project					729,648	
					$ 5,978,093	

NEWTON COUNTY, GEORGIA
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2014

2005 SPLOST

Project	Original Estimated Cost	Other Estimated Funding Sources	Total Estimated Project Costs	Expenditures		
				Prior Years	Current Year	Total
Roads	$ 20,000,000	$ 4,123,474	$ 24,123,474	$ 16,096,729	$ 1,380,728	$ 17,477,457
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	6,433,694	16,259	6,449,953
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	476,810	-	476,810
Historic Jail	500,000	-	500,000	475,594	250	475,844
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	3,034,245	798	3,035,043
					$ 1,398,035	

NEWTON COUNTY, GEORGIA
Schedule of State Contractual Assistance
For the Fiscal Year Ended June 30, 2014

Program Title	Contract Number	Receipt Recognized Fiscal Year	Expend-itures	Amount Due to/from State
Family Connection	427-93-13130009899	$ 45,000	$ 33,750	$ -
Community Services Block Grant				
Contract for FY Oct 11-Sept 12	42700-040-0000009974	30,215	40,562	-
Contract for FY Oct 12-Sept 13	42700-040-0000013335	91,123	91,123	-
Total State Assistance		$ 166,338	$ 165,435	$ -