# NEWTON COUNTY, GEORGIA

## Annual Financial Report

## For the Fiscal Year Ended
## June 30, 2015

# NEWTON COUNTY, GEORGIA

**Annual Financial Report**

**For the Fiscal Year Ended**
**June 30, 2015**




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

**NEWTON COUNTY, GEORGIA**
**Financial Statements**
**For the Fiscal Year Ended June 30, 2015**

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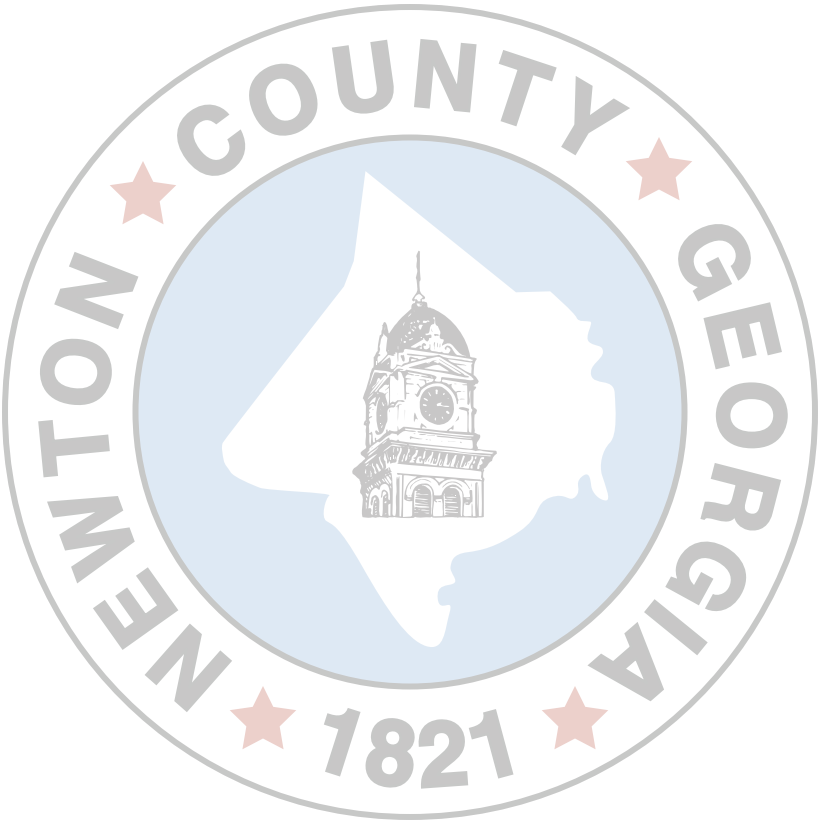

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# *INTRODUCTORY SECTION*



**NEWTON COUNTY, GEORGIA**
Principal Officials

**Board of Commissioners**
2015

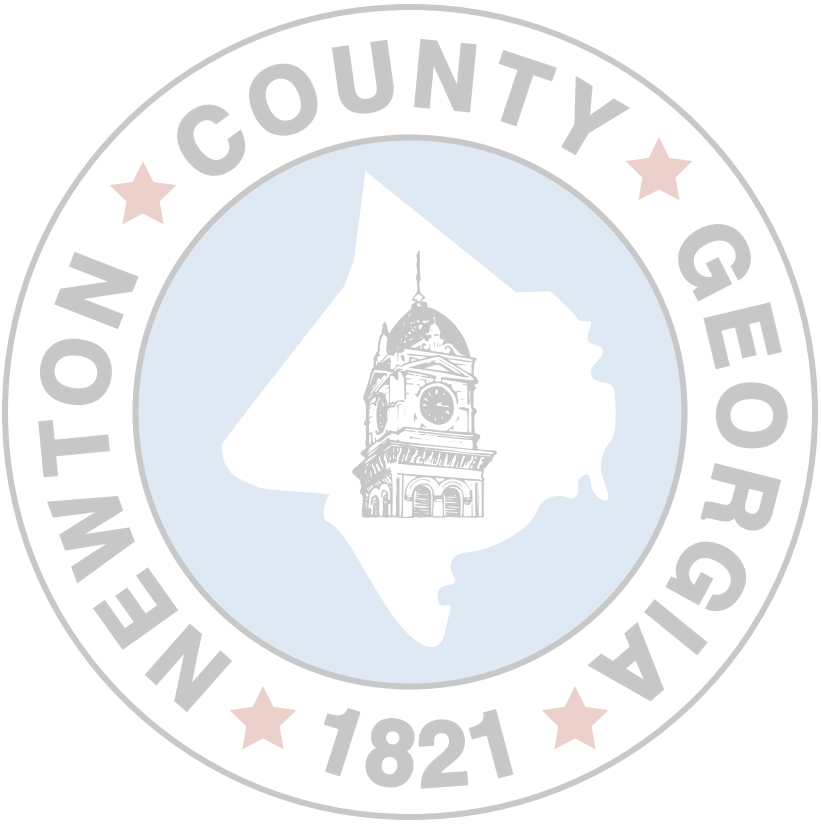
| | |
|---|---|
| Keith Ellis | Chairman |
| John Douglas | Commissioner District 1 |
| Lanier Sims | Commissioner District 2 |
| Nancy Schulz | Commissioner District 3 |
| J.C. Henderson | Commissioner District 4 |
| Levie Maddox | Commissioner District 5 |

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 activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Newton County, Georgia as of and for the year ended June 30, 2015, 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 97.64% and 87.92% 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, based on our 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 activities, 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.

**Change in Accounting Principle**

As described in Note 14 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios and Schedule of County Contributions, and the General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual information on pages 47-49 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 basic financial statements. 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 basic 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.

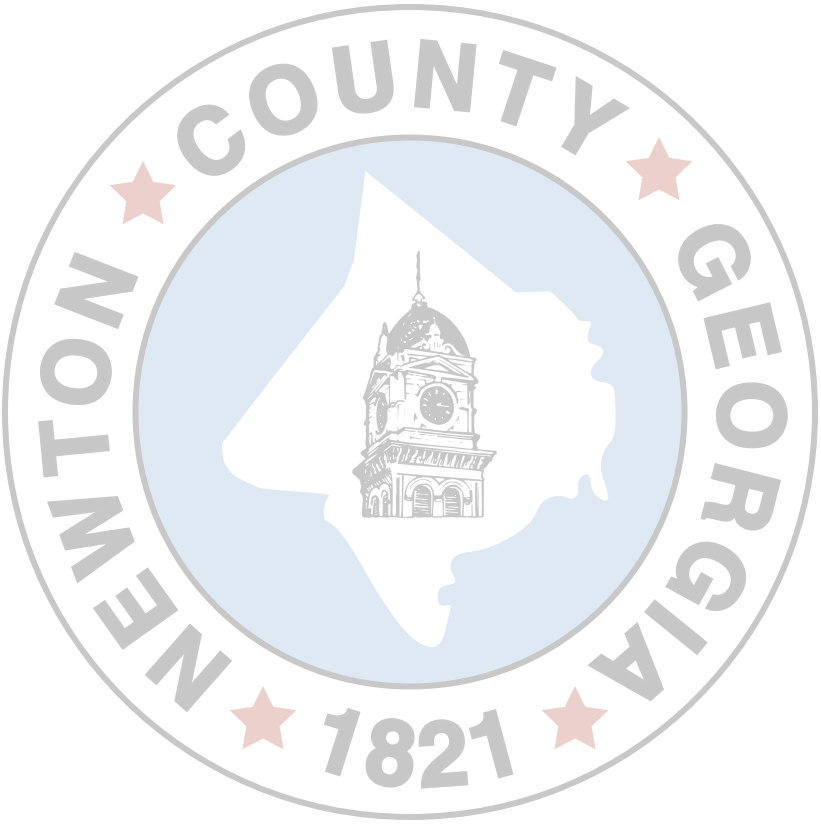
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 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*
December 31, 2015

Greenwell, Dagli & Co

# Basic Financial Statements



**NEWTON COUNTY, GEORGIA**
**Statement of Net Position**
**June 30, 2015**

| | Governmental Activities | Business-type Activities | Total | Total Component Units |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash | $ 37,124,733 | $ 2,409,644 | $ 39,534,377 | $ 5,354,534 |
| Investments | 83,238 | - | 83,238 | 54,928 |
| Accounts receivable | 399,357 | 1,008,332 | 1,407,689 | 2,215,129 |
| Taxes receivable | 962,687 | - | 962,687 | - |
| Due from other governments | 2,669,194 | 459,562 | 3,128,756 | - |
| Prepaid expenses and inventories | 283,905 | 43,991 | 327,896 | 15,922 |
| Noncurrent restricted assets - Cash | 350,611 | 5,255,914 | 5,606,525 | - |
| Noncurrent restricted assets - Investments | 6,294,469 | - | 6,294,469 | 11,415,943 |
| Capital assets not being depreciated | 68,994,463 | 30,117,840 | 99,112,303 | - |
| Capital assets, net of accumulated depreciation | 118,576,897 | 33,487,293 | 152,064,190 | 119,646,333 |
| Other assets | 5,193,823 | - | 5,193,823 | 152,914 |
| **Total assets** | 240,933,377 | 72,782,576 | 313,715,953 | 138,855,703 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred outflows related to pensions | 414,891 | - | 414,891 | 79,775 |
| Deferred amount of debt refunding | 95,924 | 1,771,475 | 1,867,399 | - |
| **Total assets and deferred outflows** | 241,444,192 | 74,554,051 | 315,998,243 | 138,935,478 |
| **LIABILITIES** | | | | |
| Accounts payable | 2,761,447 | 424,495 | 3,185,942 | 1,360,694 |
| Due to other governments | 1,468,602 | - | 1,468,602 | 333,374 |
| Accrued interest payable | 31,135 | - | 31,135 | - |
| Accrued expenses | 1,314,538 | 345,445 | 1,659,983 | 78,648 |
| Unearned revenue | - | - | - | 112,138 |
| Deposits from customers | - | 3,600 | 3,600 | 764,562 |
| Long-term liabilities (Note 6): | | | | |
| Portion due or payable within one year: | | | | |
| Bonds and notes payable | 2,249,508 | 2,299,283 | 4,548,791 | 1,993,890 |
| Capital leases | 170,464 | 48,590 | 219,054 | - |
| Compensated absences | 200,000 | - | 200,000 | - |
| Landfill closure/postclosure | - | 126,166 | 126,166 | - |
| Portion due or payable after one year: | | | | |
| Bonds and notes payable | 10,564,909 | 22,914,789 | 33,479,698 | 18,656,880 |
| Plus/less related premium/discount | 16,961 | - | 16,961 | - |
| Capital leases | 204,194 | 15,851 | 220,045 | - |
| Compensated absences | 1,819,897 | - | 1,819,897 | - |
| Landfill closure/postclosure | - | 7,587,528 | 7,587,528 | - |
| Net pension liability | 2,738,704 | - | 2,738,704 | 2,354,966 |
| **Total liabilities** | 23,540,359 | 33,765,747 | 57,306,106 | 25,655,152 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension expense | - | - | - | 303,012 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 179,416,742 | 36,555,145 | 215,971,887 | 99,130,050 |
| Restricted for: | | | | |
| Debt service | 2,858,700 | 5,255,914 | 8,114,614 | 3,420,774 |
| Capital projects (restricted by enabling legislation) | 28,465,832 | - | 28,465,832 | 3,644,982 |
| Special revenue (restricted by enabling legislation) | 1,940,744 | - | 1,940,744 | - |
| Other | - | - | - | 1,383,816 |
| Unrestricted | 5,221,815 | (1,022,755) | 4,199,060 | 5,397,692 |
| **Total net position** | $ 217,903,833 | $ 40,788,304 | $ 258,692,137 | $ 112,977,314 |

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

**NEWTON COUNTY, GEORGIA**
**Statement of Activities**
**For the Fiscal Year Ended June 30, 2015**

| 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 | $ 7,485,799 | $ 1,436,257 | $ 75,201 | $ 65,605 | $ (5,908,736) | | $ (5,908,736) | |
| Judicial | 6,043,628 | 2,461,150 | 917,680 | 67,832 | (2,596,966) | | (2,596,966) | |
| Public safety | 31,654,200 | 2,761,245 | 1,202,093 | 44,269 | (27,646,593) | | (27,646,593) | |
| Public works | 20,082,262 | 1,007,308 | - | 1,867,959 | (17,206,995) | | (17,206,995) | |
| Health and welfare | 778,275 | - | 46,663 | - | (731,612) | | (731,612) | |
| Culture and recreation | 3,576,071 | 5,805 | 525,232 | - | (3,045,034) | | (3,045,034) | |
| Housing and development | 1,780,917 | 853,693 | 19,528 | - | (907,696) | | (907,696) | |
| Interest and fiscal charges | 515,129 | - | - | - | (515,129) | | (515,129) | |
| **Total governmental activities** | 71,916,281 | 8,525,458 | 2,786,397 | 2,045,665 | (58,558,761) | | (58,558,761) | |
| **Business-type:** | | | | | | | | |
| Water | 5,886,594 | 8,881,346 | - | - | | $ 2,994,752 | 2,994,752 | |
| Special Facilities | 35,772 | 18,312 | - | - | | (17,460) | (17,460) | |
| Landfill | 4,327,308 | 2,404,254 | - | - | | (1,923,054) | (1,923,054) | |
| **Total business-type activities** | 10,249,674 | 11,303,912 | - | - | | 1,054,238 | 1,054,238 | |
| **Component units:** | | | | | | | | |
| Newton County Water & Sewerage Authority | 13,335,595 | 16,242,002 | - | 375,530 | | | | $ 3,281,937 |
| Newton County Senior Services, Inc. | 670,905 | 60,141 | 483,578 | - | | | | (127,186) |
| Newton County Library System | 1,553,062 | 111,254 | 436,586 | 41,898 | | | | (963,324) |
| Newton County Health Department | 2,138,981 | 1,041,013 | 1,000,902 | - | | | | (97,066) |
| Newton County Industrial Development Authority | 15,959 | 75,000 | - | - | | | | 59,041 |
| Newton County Recreation Commission | 2,039,800 | 438,010 | - | - | | | | (1,601,790) |
| **Total component units** | 19,754,302 | 17,967,420 | 1,921,066 | 417,428 | | | | 551,612 |

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

**NEWTON COUNTY, GEORGIA**
**Statement of Activities**
**For the Fiscal Year Ended June 30, 2015**

| 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 | | | | | 26,084,591 | - | 26,084,591 | - |
| Sales tax | | | | | 19,063,384 | - | 19,063,384 | - |
| Franchise and business taxes | | | | | 5,415,426 | - | 5,415,426 | - |
| Other taxes | | | | | 483,001 | - | 483,001 | - |
| Intergovernmental revenues unrestricted | | | | | 279,516 | - | 279,516 | 2,959,609 |
| Investment earnings | | | | | 11,543 | 22,723 | 34,266 | 16,554 |
| Miscellaneous | | | | | 448,527 | - | 448,527 | 60,201 |
| Transfers | | | | | (715,093) | 715,093 | - | - |
| Total general revenues and transfers | | | | | 51,070,895 | 737,816 | 51,808,711 | 3,036,364 |
| **Change in net position** | | | | | (7,487,866) | 1,792,054 | (5,695,812) | 3,587,976 |
| **Net position - beginning, as previously reported** | | | | | 227,913,204 | 38,996,250 | 266,909,454 | 112,012,628 |
| Change in accounting principle | | | | | (2,521,505) | - | (2,521,505) | (2,623,290) |
| **Net position - beginning, as restated** | | | | | 225,391,699 | 38,996,250 | 264,387,949 | 109,389,338 |
| **Net position - ending** | | | | | $ 217,903,833 | $ 40,788,304 | $ 258,692,137 | $ 112,977,314 |

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

**NEWTON COUNTY, GEORGIA**
**Balance Sheet**
**Governmental Funds**
**June 30, 2015**

| | General Fund | Impact Fee Fund | 2005 SPLOST Fund | 2011 SPLOST Fund | Other Gov't Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash | $ 6,260,018 | $ 879,822 | $ 6,386,978 | $ 18,846,768 | $ 5,007,072 | $ 37,380,658 |
| Investments, restricted | - | - | 4,237,054 | - | 1,986,240 | 6,223,294 |
| Taxes receivable, net | 917,877 | - | - | - | 44,810 | 962,687 |
| Due from other funds | 9,743 | - | 250,000 | | 92,463 | 352,207 |
| Due from other governments | 1,213,850 | - | - | 926,778 | 528,565 | 2,669,192 |
| Due from others | 155,981 | - | - | - | 243,328 | 399,309 |
| Inventory | 193,419 | - | - | - | 7,966 | 201,385 |
| Advances to other funds | - | 1,500,000 | 3,873,474 | - | - | 5,373,474 |
| Restricted cash | 71,175 | - | - | - | - | 71,175 |
| **Total assets** | $ 8,822,063 | $ 2,379,822 | $ 14,747,506 | $ 19,773,546 | $ 7,910,444 | $ 53,633,381 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | $ 718,719 | $ 48,425 | $ 382,547 | $ 793,460 | $ 585,067 | $ 2,528,218 |
| Due to other funds | - | 250,000 | - | - | 102,206 | 352,206 |
| Due to other governments | - | - | 1,160,710 | - | 307,892 | 1,468,602 |
| Due to others | - | - | - | - | 53,201 | 53,201 |
| Accrued expenditures | 1,313,356 | - | - | - | - | 1,313,356 |
| Advances from other funds | - | 3,873,474 | - | - | 1,500,000 | 5,373,474 |
| Payable from restricted assets | 70,990 | - | - | - | - | 70,990 |
| **Total liabilities** | 2,103,065 | 4,171,899 | 1,543,257 | 793,460 | 2,548,366 | 11,160,047 |
| Deferred inflows of resources: | | | | | | |
| Unavailable property taxes | 881,705 | - | - | - | 44,083 | 925,788 |
| Fund balances: | | | | | | |
| Nonspendable: Inventory and long term advances | 193,419 | 1,500,000 | - | - | 7,966 | 1,701,385 |
| Restricted: | | | | | | |
| General Government | 185 | - | - | - | 300,713 | 300,898 |
| Judicial | - | - | - | - | 469,133 | 469,133 |
| Public Safety | - | - | - | - | 1,272,382 | 1,272,382 |
| Debt Service | - | - | - | - | 2,858,700 | 2,858,700 |
| Capital projects | - | - | 13,204,249 | 18,980,086 | 518,551 | 32,702,886 |
| Assigned | 396,063 | - | - | - | - | 396,063 |
| Unassigned | 5,247,626 | (3,292,077) | - | - | - | 1,955,549 |
| **Total fund balances** | 5,837,293 | (1,792,077) | 13,204,249 | 18,980,086 | 5,317,995 | 41,547,546 |
| **Total liabilities, deferred inflows and fund balances** | $ 8,822,063 | $ 2,379,822 | $ 14,747,506 | $ 19,773,546 | $ 7,910,444 | $ 53,633,381 |

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, 2015**

| | | | |
|---|---|---|---|
| Total *fund* balances for governmental funds | | | $ 41,547,546 |
| 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: | | | |
| Nondepreciated: | | | |
| Land | $ 68,014,464 | | |
| Construction in progress | 946,597 | | |
| | | 68,961,061 | |
| Depreciated: | | | |
| Infrastructure | 494,854,967 | | |
| Buildings and improvements | 85,566,787 | | |
| Equipment, furniture and vehicles | 28,898,319 | | |
| Intangibles | 33,402 | | |
| Less: Accumulated depreciation | (490,743,176) | | |
| | | 118,610,299 | |
| Total capital assets | | | 187,571,360 |
| Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflow of resources. | | | 925,788 |
| 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. | | | 150,273 |
| Other assets - Investment in Joint Venture - are not financial resources and therefore are not reported in the funds. | | | 5,193,823 |
| Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related experience differences, assumptions changes and contributions. | | | 414,891 |
| Other liabilities - Accrued interest - are not reported in the funds | | | (31,135) |
| 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, 2015 are: | | | |
| Bonds and notes payable | | (12,814,417) | |
| Capital leases | | (374,658) | |
| Compensated absences | | (2,019,897) | |
| Net Pension liability | | (2,738,704) | |
| Unamortized discount and premium | | (16,961) | |
| Unamortized deferred gain/loss on refunding | | 95,924 | |
| Total long-term liabilities | | | (17,868,713) |
| Total net position of governmental activities | | | $ 217,903,833 |

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, 2015**

| | General Fund | Impact Fee Fund | 2005 SPLOST Fund | 2011 SPLOST Fund | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes | $ 38,789,795 | $ - | $ - | $ 10,894,276 | $ 1,300,650 | $ 50,984,721 |
| Licenses and permits | 565,903 | - | - | - | - | 565,903 |
| Intergovernmental revenue | 1,133,474 | - | - | - | 2,966,969 | 4,100,443 |
| Charges for services | 3,806,117 | 383,881 | - | - | 1,641,135 | 5,831,133 |
| Fines and forfeitures | 1,317,157 | - | - | - | 652,614 | 1,969,771 |
| Investment income | 4,983 | 395 | 6,937 | 17,175 | 5,944 | 35,434 |
| Contributions and donations | 26,840 | - | - | 16,680 | - | 43,520 |
| Miscellaneous | 752,979 | - | 250 | - | 75,861 | 829,090 |
| **Total revenues** | 46,397,248 | 384,276 | 7,187 | 10,928,131 | 6,643,173 | 64,360,015 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| General government | 6,360,868 | - | - | - | 88,693 | 6,449,561 |
| Judicial | 4,973,388 | - | - | - | 954,652 | 5,928,040 |
| Public safety | 24,876,780 | - | - | - | 4,486,321 | 29,363,101 |
| Public works | 4,720,058 | - | - | - | 15,461 | 4,735,519 |
| Health and welfare | 728,265 | - | - | - | 59,153 | 787,418 |
| Culture and recreation | 2,739,844 | - | - | - | 8,200 | 2,748,044 |
| Housing and development | 1,178,294 | - | - | - | 153,896 | 1,332,190 |
| Intergovernmental | - | | - | 1,913,036 | - | 1,913,036 |
| Debt service: | | | | | | |
| Principal payments | - | - | - | 2,141,257 | 1,562,132 | 3,703,389 |
| Interest and fiscal charges | - | - | - | - | 496,868 | 496,868 |
| Capital outlay | - | 633,471 | 1,341,669 | 3,683,169 | (371,453) | 5,286,856 |
| **Total expenditures** | 45,577,497 | 633,471 | 1,341,669 | 7,737,462 | 7,453,923 | 62,744,022 |
| Excess (deficiency) of revenues over (under) expenditures | 819,751 | (249,195) | (1,334,482) | 3,190,669 | (810,750) | 1,615,993 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Capital financing | - | - | - | 552,931 | - | 552,931 |
| Transfers in | 478,053 | - | - | - | 1,418,872 | 1,896,925 |
| Transfers (out) | (1,952,705) | - | - | - | (659,313) | (2,612,018) |
| **Total other financing sources (uses)** | (1,474,652) | - | - | 552,931 | 759,559 | (162,162) |
| **Net change in fund balances** | (654,901) | (249,195) | (1,334,482) | 3,743,600 | (51,191) | 1,453,831 |
| **Fund balances - beginning** | 6,492,194 | (1,542,882) | 14,538,731 | 15,236,486 | 5,369,186 | 40,093,715 |
| **Fund balances - ending** | $ 5,837,293 | $ (1,792,077) | $ 13,204,249 | $ 18,980,086 | $ 5,317,995 | $ 41,547,546 |

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 to the Statement of Activities**
**For the Fiscal Year Ended June 30, 2015**

| | |
|---|---|
| Net change in *fund* balances - total governmental funds | $ 1,453,831 |
| 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 exceeded capital outlays in the current period. | (11,559,670) |
| 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. | |
| Debt issued | (569,611) |
| Repayments | 2,453,291 |
| Some capital construction in progress costs that were originally reported on the Statement of Net Assets became a project that was abandoned, therefore the costs were written off but such amounts are not reported in the Statement of Activities. | (459,734) |
| Capital lease payments are reported as expenditures in the governmental funds, but reduce the liability in the statement of net position. | 370,674 |
| Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. | 823,573 |
| 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. | 168 |
| 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 a change in net position. | (137,979) |
| Contributions to the pension plan in the current fiscal year are not included in the statement of activities. | 119,772 |
| Change in the carrying value of Joint Venture. This change represents the County's share of the financial results of the Joint Venture. | (27,115) |
| 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 | 4,315 |

Continued on next page

**NEWTON COUNTY, GEORGIA**
**Reconciliation of the Statement of Revenues, Expenditures, and**
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**
**For the Fiscal Year Ended June 30, 2015**

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.

| | | |
|---|---|---|
| Amortization of debt discount, premium and issuance costs | 1,542 | |
| Amortization of advanced refunding difference | (23,981) | |
| | | 40,626 |

| | |
|---|---|
| Change in net position of governmental activities | $ (7,487,866) |

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

**NEWTON COUNTY, GEORGIA**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2015**

| | 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 | $ 1,645,448 | $ 763,904 | $ 292 | $ 2,409,644 | $ 177,970 |
| Accounts receivable | 825,791 | 182,541 | - | 1,008,332 | - |
| Due from other governments | 250,846 | - | - | 250,846 | - |
| Prepaid expenses & inventories | 43,991 | - | - | 43,991 | 82,520 |
| **Total current assets** | 2,766,076 | 946,445 | 292 | 3,712,813 | 260,490 |
| **Noncurrent Assets** | | | | | |
| **Restricted Assets** | | | | | |
| Cash | 5,255,914 | - | - | 5,255,914 | - |
| **Total restricted assets** | 5,255,914 | - | - | 5,255,914 | - |
| **Capital Assets,** | | | | | |
| Not being depreciated | 27,218,412 | 2,899,428 | - | 30,117,840 | - |
| Being depreciated, net of depreciation | 25,533,825 | 7,768,109 | 185,359 | 33,487,293 | - |
| **Net capital assets** | 52,752,237 | 10,667,537 | 185,359 | 63,605,133 | - |
| **Noncurrent Assets** | | | | | |
| Due from Walton County | 208,716 | - | - | 208,716 | - |
| **Total noncurrent notes receivable** | 208,716 | - | - | 208,716 | - |
| **Total noncurrent assets** | 58,216,867 | 10,667,537 | 185,359 | 69,069,763 | - |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred amount on debt refunding | 1,771,475 | - | - | 1,771,475 | - |
| **Total assets and deferred outflows** | $ 62,754,418 | $ 11,613,982 | $ 185,651 | $ 74,554,051 | $ 260,490 |

Continued on next page

**NEWTON COUNTY, GEORGIA**
**Statement of Net Position**
**Proprietary Funds**
**June 30, 2015**

| | 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 | $ 375,601 | $ 48,125 | $ 769 | $ 424,495 | $ 110,217 |
| Accrued expenses | 277,182 | 68,263 | - | 345,445 | - |
| Current portion of notes payable | 36,306 | 152,977 | - | 189,283 | - |
| Current portion of capital lease obligations | - | 48,590 | - | 48,590 | - |
| Current portion of revenue bonds | 2,110,000 | - | - | 2,110,000 | - |
| Current portion landfill closure | - | 126,166 | - | 126,166 | - |
| Deposits from customers | - | - | 3,600 | 3,600 | - |
| **Total current liabilities** | 2,799,089 | 444,121 | 4,369 | 3,247,579 | 110,217 |
| **Noncurrent Liabilities** | | | | | |
| Notes payable | 709,423 | 3,410,366 | - | 4,119,789 | - |
| Capital lease obligations | - | 15,851 | - | 15,851 | - |
| Revenue bonds | 18,795,000 | - | - | 18,795,000 | - |
| Landfill closure/postclosure | - | 7,587,528 | - | 7,587,528 | - |
| **Total noncurrent liabilities** | 19,504,423 | 11,013,745 | - | 30,518,168 | - |
| **Total liabilities** | 22,303,512 | 11,457,866 | 4,369 | 33,765,747 | 110,217 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 29,330,033 | 7,039,753 | 185,359 | 36,555,145 | - |
| Restricted for repayment | | | | | |
| Restricted for debt service | 5,255,914 | - | - | 5,255,914 | - |
| Unrestricted | 5,864,959 | (6,883,637) | (4,077) | (1,022,755) | 150,273 |
| **Total net position** | $ 40,450,906 | $ 156,116 | $ 181,282 | $ 40,788,304 | $ 150,273 |

Continued from previous page

**NEWTON COUNTY, GEORGIA**
**Statement of Revenues Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Fiscal Year Ended June 30, 2015**

| | Business-type Activities-Enterprise Funds | | | | Governmental Activities-Internal Service Fund |
|---|---|---|---|---|---|
| | Major Funds | | Nonmajor Enterprise Fund | Total | |
| | Water Fund | Solid Waste Fund | | | |
| **REVENUES** | | | | | |
| Sales | $ 8,611,472 | $ 2,087,002 | $ 18,212 | $ 10,716,686 | $ 520,672 |
| Transportation and wheeling | 5,815 | - | - | 5,815 | - |
| Meter maintenance | 29,523 | - | - | 29,523 | - |
| Sale of recyclables | - | 166,754 | - | 166,754 | - |
| Activity fees | 10,236 | - | - | 10,236 | - |
| Miscellaneous income | 224,299 | 150,498 | 100 | 374,897 | - |
| **Total operating revenues** | 8,881,345 | 2,404,254 | 18,312 | 11,303,911 | 520,672 |
| **EXPENSES** | | | | | |
| Cost of Sales & services | - | 1,238,375 | - | 1,238,375 | - |
| Personal services | 884,344 | 801,536 | - | 1,685,880 | - |
| Purchased/Contracted services | 1,016,751 | 1,314,906 | 12,246 | 2,343,903 | 520,724 |
| Supplies | 1,916,147 | 256,370 | 14,930 | 2,187,447 | - |
| Depreciation | 1,158,718 | 556,890 | 8,596 | 1,724,204 | - |
| Other costs | 215,000 | 13,140 | - | 228,140 | - |
| **Total operating expenses** | 5,190,960 | 4,181,217 | 35,772 | 9,407,949 | 520,724 |
| **Operating income (loss)** | 3,690,385 | (1,776,963) | (17,460) | 1,895,962 | (52) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Interest earned | 21,276 | 1,446 | 1 | 22,723 | 220 |
| Interest expense & costs | (695,634) | (146,091) | - | (841,725) | - |
| **Total non-operating revenues (expenses)** | (674,358) | (144,645) | 1 | (819,002) | 220 |
| **Income (loss) before Transfers** | 3,016,027 | (1,921,608) | (17,459) | 1,076,960 | 168 |
| **Other Financing Sources (uses):** | | | | | |
| Transfers in | - | 750,000 | - | 750,000 | - |
| Transfers (out) | (34,906) | - | - | (34,906) | - |
| **Total Contributions & Transfers** | (34,906) | 750,000 | - | 715,094 | - |
| **Change in net position** | 2,981,121 | (1,171,608) | (17,459) | 1,792,054 | 168 |
| **Net position - beginning** | 37,469,785 | 1,327,724 | 198,741 | 38,996,250 | 150,105 |
| **Net position - ending** | $ 40,450,906 | $ 156,116 | $ 181,282 | $ 40,788,304 | $ 150,273 |

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, 2015**

| | 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 | $ 8,618,822 | $ 3,370,564 | $ 25,812 | $ 12,015,198 | $ - |
| Cash received for interfund services provided | (139,182) | - | - | (139,182) | 520,672 |
| Cash payments for goods and services | (3,016,751) | (2,638,053) | (28,173) | (5,682,977) | (467,258) |
| Cash payments to employees | (848,246) | (801,536) | - | (1,649,782) | - |
| **Net cash provided by (used for) operating activities** | 4,614,643 | (69,025) | (2,361) | 4,543,257 | 53,414 |
| **Cash flows from non-capital financing:** | | | | | |
| Transfers in (out) | (34,906) | 750,000 | - | 715,094 | - |
| Repayment of loan other funds | - | - | (967) | (967) | - |
| Advances from other funds | - | (766,285) | - | (766,285) | - |
| **Net cash from non-capital financing activities** | (34,906) | (16,285) | (967) | (52,158) | - |
| **Cash flows from capital and related financing activities:** | | | | | |
| Principal payments on long-term debt | (2,105,802) | (335,131) | - | (2,440,933) | - |
| Interest paid on debt | (523,135) | (146,091) | - | (669,226) | - |
| Purchases of property, plant, and equipment | (1,059,454) | 12,583 | - | (1,046,871) | - |
| **Net cash (used in) capital and related financing** | (3,688,391) | (468,639) | - | (4,157,030) | - |
| **Cash flows from investing activities:** | | | | | |
| Interest received | 21,276 | 1,446 | 1 | 22,723 | 220 |
| **Net cash provided by investing activities** | 21,276 | 1,446 | 1 | 22,723 | 220 |
| **Net increase (decrease) in cash & cash equivalents** | 912,622 | (552,503) | (3,327) | 356,792 | 53,634 |
| **Cash & cash equivalents, beginning** | 5,988,739 | 1,316,407 | 3,619 | 7,308,765 | 124,544 |
| **Cash & cash equivalents, ending** | $ 6,901,362 | $ 763,904 | $ 292 | $ 7,665,557 | $ 178,177 |

Continued on next page

**NEWTON COUNTY, GEORGIA**
**Statement of Cash Flows**
**Proprietary Funds**
**For the Fiscal Year Ended June 30, 2015**

| | 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) | $ 3,690,385 | $ (1,776,963) | $ (17,460) | $ 1,895,962 | $ (52) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| Landfill closure and postclosure costs | - | 1,179,667 | - | 1,179,667 | - |
| Depreciation and amortization | 1,158,718 | 556,890 | 8,592 | 1,724,200 | - |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | (47,524) | (33,560) | 6,000 | (75,084) | - |
| Interfund receivables/payables | (139,182) | - | - | (139,182) | (1,695) |
| Customer deposits | - | - | 1,500 | 1,500 | - |
| Accounts payable | (83,853) | 4,941 | (993) | (79,905) | 55,161 |
| Accrued expenses | 36,099 | - | - | 36,099 | - |
| **Net cash provided by (used for) operating activities** | $ 4,614,643 | $ (69,025) | $ (2,361) | $ 4,543,257 | $ 53,414 |

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

**NEWTON COUNTY, GEORGIA**
**Statement of Fiduciary Assets and Liabilities**
**Agency Funds**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 1,405,465 |
| Receivables | 2,312,844 |
| **Total assets** | $ 3,718,309 |
| **LIABILITIES** | |
| Due to others | $ 3,718,309 |
| **Total liabilities** | $ 3,718,309 |

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

**NEWTON COUNTY, GEORGIA**
**Statement of Net Position**
**Component Units**

| | June 30, 2015 | | | | December 31, 2014 | | June 30, 2015 | |
|---|---|---|---|---|---|---|---|---|
| | Library | Senior Services | Health Department | Recreation Commission | Industrial Development Authority | Total Governmental Component Units | Water and Sewerage Authority | Total |
| **ASSETS AND DEFERRED OUTFLOWS** | | | | | | | | |
| **Assets:** | | | | | | | | |
| Cash | $ 1,499,704 | $ 66,664 | $ 2,568,130 | $ 372,056 | $ 842,980 | $ 5,349,534 | $ 5,000 | $ 5,354,534 |
| Investments | 54,928 | - | - | - | - | 54,928 | - | 54,928 |
| Accounts receivable, net | 137,475 | 65,431 | - | - | - | 202,906 | 2,012,223 | 2,215,129 |
| Restricted assets | - | - | - | - | - | - | 11,415,943 | 11,415,943 |
| Capital assets, net | 6,583,228 | - | 37,437 | 247,474 | 1,675,838 | 8,543,977 | 111,102,356 | 119,646,333 |
| Inventories | - | - | - | - | - | - | 152,914 | 152,914 |
| Prepaid items | - | - | - | - | - | - | 15,922 | 15,922 |
| **Total assets** | 8,275,335 | 132,095 | 2,605,567 | 619,530 | 2,518,818 | 14,151,345 | 124,704,358 | 138,855,703 |
| Deferred Outflows: | | | | | | | | |
| Pension expense | 58,449 | - | - | - | - | 58,449 | 21,326 | 79,775 |
| **LIABILITIES AND DEFERRED INFLOWS** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | 278,574 | 16,446 | 66,606 | 21,248 | - | 382,874 | 977,820 | 1,360,694 |
| Due to other governments | - | 176,099 | - | 157,275 | - | 333,374 | - | 333,374 |
| Deposits | - | - | - | 7,739 | - | 7,739 | 756,823 | 764,562 |
| Accrued expenses | 19,771 | - | - | - | - | 19,771 | 58,877 | 78,648 |
| Unearned revenue | - | - | - | - | - | - | 112,138 | 112,138 |
| Long-term debt | | | | | | | | |
| Due within one year: | 12,049 | - | 52,000 | 6,126 | - | 70,175 | 1,923,715 | 1,993,890 |
| Due after one year: | 18,074 | - | 42,810 | 12,062 | - | 72,946 | 18,583,934 | 18,656,880 |
| Net pension liability | 557,272 | - | 1,510,149 | - | - | 2,067,421 | 287,545 | 2,354,966 |
| **Total liabilities** | 885,740 | 192,545 | 1,671,565 | 204,450 | - | 2,954,300 | 22,700,852 | 25,655,152 |
| Deferred Inflows: | | | | | | | | |
| Pension expense | 244,539 | - | 31,774 | - | - | 276,313 | 26,699 | 303,012 |
| Unearned registrations | - | - | - | - | - | - | - | - |
| **Total deferred inflows** | 244,539 | - | 31,774 | - | - | 276,313 | 26,699 | 303,012 |

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **NET POSITION** | | | | | | | | |
| Net investment in capital assets | 6,583,228 | - | 46,991 | 229,286 | 1,675,838 | 8,535,343 | 90,594,707 | 99,130,050 |
| Restricted- | | | | | | | | |
| Capital projects | 304,468 | - | - | - | - | 304,468 | 3,340,514 | 3,644,982 |
| Other | - | - | 1,383,816 | - | - | 1,383,816 | - | 1,383,816 |
| Debt service | - | - | - | - | - | - | 3,420,774 | 3,420,774 |
| Unrestricted | 315,809 | (60,450) | (528,579) | 185,794 | 842,980 | 755,554 | 4,642,138 | 5,397,692 |
| **Total net position** | $ 7,203,505 | $ (60,450) | $ 902,228 | $ 415,080 | $ 2,518,818 | $ 10,979,181 | $ 101,998,133 | $ 112,977,314 |

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, 2015**
**For the Year Ended December 31, 2014 for the Industrial Development Authority**

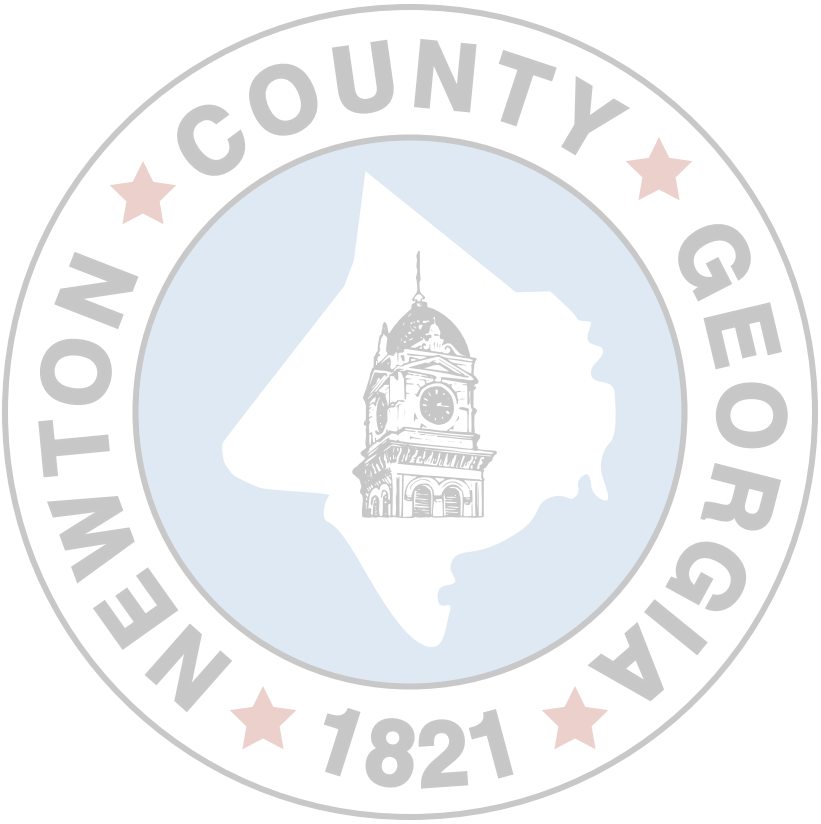
| | | Program Revenues | | |
|---|---|---|---|---|
| **Activities:** | **Expenses** | **Fees, Fines and Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** |
| **Component units:** | | | | |
| Newton County Water and Sewerage Authority | $ 13,335,595 | $ 16,242,002 | $ - | $ 375,530 |
| Newton County Library | 1,553,062 | 111,254 | 436,586 | 41,898 |
| Newton County Senior Services, Inc. | 670,905 | 60,141 | 483,578 | - |
| Newton County Health Department | 2,138,981 | 1,041,013 | 1,000,902 | - |
| Newton County Recreation Commission | 2,039,800 | 438,010 | - | - |
| Newton County Industrial Development Authority | 15,959 | 75,000 | - | - |
| **Total component units** | $ 19,754,302 | $ 17,967,420 | $ 1,921,066 | $ 417,428 |

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 | $ 3,281,937 | $ - | $ - | $ - | $ - | $ - | $ 3,281,937 |
| Newton County Library | - | (963,324) | | - | - | - | (963,324) |
| Newton County Senior Services, Inc. | - | - | (127,186) | - | - | - | (127,186) |
| Newton County Health Department | - | - | - | (97,066) | - | - | (97,066) |
| Newton County Recreation Commission | - | - | - | - | (1,601,790) | - | (1,601,790) |
| Newton County Industrial Development Authority | - | - | - | - | - | 59,041 | 59,041 |
| **Total component units** | 3,281,937 | (963,324) | (127,186) | (97,066) | (1,601,790) | 59,041 | 551,612 |
| General Revenues: | | | | | | | |
| Investment earnings | 13,951 | 1,502 | - | - | 328 | 773 | 16,554 |
| Intergovernmental | 57,197 | - | - | - | - | - | 57,197 |
| Miscellaneous | 6,134 | - | - | 30,097 | 23,970 | - | 60,201 |
| Appropriation from Newton County | - | 961,452 | 114,500 | 203,526 | 1,622,934 | - | 2,902,412 |
| Total general revenues | 77,282 | 962,954 | 114,500 | 233,623 | 1,647,232 | 773 | 3,036,364 |
| **Change in net position** | 3,359,219 | (370) | (12,686) | 136,557 | 45,442 | 59,814 | 3,587,976 |
| **Net position - beginning, as originally reported** | 98,915,154 | 7,978,905 | (47,764) | 2,337,691 | 369,638 | 2,459,004 | 112,012,628 |
| Change in accounting principle | (276,240) | (775,030) | - | (1,572,020) | - | - | (2,623,290) |
| **Net position - beginning, as restated** | 98,638,914 | 7,203,875 | (47,764) | 765,671 | 369,638 | 2,459,004 | 109,389,338 |
| **Net position - ending** | $ 101,998,133 | $ 7,203,505 | $ (60,450) | $ 902,228 | $ 415,080 | $ 2,518,818 | $ 112,977,314 |

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 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 $753,401. 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, 2015: 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 year end amounted to $962,687 while unavailable property tax revenue totaled $925,789.

**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 funds had a deficit fund balance as of June 30, 2015:
Capital Project – Impact Fee Fund - $1,792,076
Special Revenue – E-911 - $103,614

**B. Excess of Expenditures over appropriations:**

The following departments had excess expenditures over appropriations for June 30, 2015.

| | | |
|---|---|---|
| *General Fund –* | Governing Body - $49,8102 | Tax Assessor - $77,993 |
| Juvenile Court - $16,183 | Jail - $720,753 | |
| Human Resources - $13,722 | Urban Redevelopment - $9,277 | |
| *Special Revenue Funds –* | E-911 - $291,455 | |

## Note 3: Cash and Investments

### Primary Government

*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 $39,539,140 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 AAAf 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* | AAA | $ 6,279,735 46 day WAM | $ - | $ 6,279,735 |
| 2005 SPLOST Fund | | | | |
| Fixed Income Securities | AAAmf | 4,237,054 | - | 4,237,054 |
| 2011 SPLOST Fund | | | | |
| Georgia Fund 1* | AAA | 1,704 | - | 1,704 |
| Debt Service Fund | | | | |
| Fixed Income Securities | AAAmf | 1,986,240 | - | 1,986,240 |
| Water Fund | | | | |
| Fixed Income Securities | AAAmf | 3,648,622 | - | 3,648,622 |
| Special Revenue Fund - Law Library | | | | |
| Certificates of Deposit | | 83,238 | - | 83,238 |
| | | $ 16,236,593 | $ - | $ 16,236,593 |

* 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, 2015 is as follows:

**Governmental activities:**

| | Beginning | Additions | Retirements | Ending |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 67,937,064 | $ 77,400 | $ - | $ 68,014,464 |
| Construction in Progress | 3,833,969 | 1,142,643 | 4,030,015 | 946,597 |
| Intangibles | - | 33,402 | - | 33,402 |
| Total capital assets not being depreciated | 71,771,033 | 1,253,445 | 4,030,015 | 68,994,463 |
| Capital assets being depreciated: | | | | |
| Infrastructure | 494,500,386 | 354,600 | - | 494,854,986 |
| Buildings and Improvements | 82,201,806 | 3,467,787 | - | 85,669,593 |
| Equipment, Furniture and Vehicles | 28,025,863 | 804,961 | 35,328 | 28,795,496 |
| Total capital assets being depreciated | 604,728,055 | 4,627,348 | 35,328 | 609,320,075 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 428,683,061 | 8,305,510 | - | 436,988,571 |
| Buildings and Improvements | 30,330,847 | 3,011,617 | - | 33,342,464 |
| Equipment, Furniture and Vehicles | 18,701,308 | 1,746,162 | 35,328 | 20,412,142 |
| Total accumulated depreciation | 477,715,216 | 13,063,289 | 35,328 | 490,743,177 |
| Net governmental capital assets, net | $ 198,783,872 | $ (7,182,496) | $ 4,030,015 | $ 187,571,360 |

**Note 4: Capital Assets, continued**

| Total government activities depreciation expense | |
|---|---|
| General government | $ 1,125,708 |
| Judicial | 65,921 |
| Public Safety | 2,775,851 |
| Public Works | 8,487,576 |
| Culture & Recreation | 606,132 |
| Housing & Development | 2,101 |
| | $ 13,063,289 |

**Business-type activities:**

| **Water Fund** | Beginning | Additions | Retirements | Ending |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 8,121,186 | $ - | $ - | $ 8,121,186 |
| Construction in Progress | 18,092,017 | 984,683 | - | 19,076,700 |
| Intangibles | - | 20,526 | - | 20,526 |
| Total capital assets not being depreciated | 26,213,203 | 1,005,209 | - | 27,218,412 |
| Capital assets being depreciated: | | | | |
| Land improvements | 682,100 | - | - | 682,100 |
| Buildings | 27,804,639 | 24,650 | - | 27,829,289 |
| Water distribution system | 8,838,064 | - | - | 8,838,064 |
| Machinery and equipment | 5,351,992 | 29,595 | - | 5,381,587 |
| Total capital assets being depreciated | 42,676,795 | 54,245 | - | 42,731,040 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 260,842 | 30,342 | - | 291,184 |
| Buildings | 5,896,003 | 712,188 | - | 6,608,191 |
| Water distribution system | 5,732,847 | 320,150 | - | 6,052,997 |
| Machinery and equipment | 4,148,804 | 96,039 | - | 4,244,843 |
| Total accumulated depreciation | 16,038,496 | 1,158,719 | - | 17,197,215 |
| Total capital assets, depreciated, net | $ 52,851,502 | $ (99,265) | $ - | $ 52,752,237 |

**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 | 2,912,011 | - | 12,583 | 2,899,428 |
| Capital assets being depreciated: | | | | |
| Land improvements | 10,567,693 | - | - | 10,567,693 |
| Buildings | 436,591 | - | - | 436,591 |
| Machinery and equipment | 3,353,740 | - | - | 3,353,741 |
| Total capital assets being depreciated | 14,358,024 | - | - | 14,358,025 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 3,120,511 | 374,621 | - | 3,495,132 |
| Buildings | 237,615 | 15,077 | - | 252,692 |
| Machinery and equipment | 2,674,899 | 167,193 | - | 2,842,092 |
| Total accumulated depreciation | 6,033,025 | 556,891 | - | 6,589,916 |
| Total capital assets, depreciated, net | $ 11,237,010 | $ (556,891) | $ 12,583 | $ 10,667,537 |

| **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 | 116,726 | 6,640 | - | 123,366 |
| Site Improvements | 9,393 | 992 | - | 10,385 |
| Machinery and equipment | 47,625 | 963 | - | 48,588 |
| Total accumulated depreciation | 173,744 | 8,595 | - | 182,339 |
| Total capital assets, depreciated, net | $ 193,954 | $ (8,595) | $ - | $ 185,359 |
| Total business-type capital assets, net | $ 64,282,466 | $ (664,751) | $ 12,583 | $ 63,605,133 |

**Note 5: Interfund Balances and Activity**

**Balances Due to/from Other Funds and Advances to/from other funds**
Balances due to/from other funds at June 30, 2015 consist of the following:

| | Due To's | | |
|---|---|---|---|
| **Due From's** | **Impact Fee** | **Nonmajor Governmental Funds** | **Total** |
| Governmental Funds: | | | |
| General | $ - | $ 9,743 | $ 9,743 |
| SPLOST 2005 | 250,000 | - | 250,000 |
| Nonmajor governmental | - | 92,463 | 92,463 |
| | $ 250,000 | $ 102,206 | $ 352,206 |

The Impact Fee Fund owes the SPLOST 05 Fund for additional funding that was appropriated for 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.

**Advances from/to other funds**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| SPLOST 2005 | Impact Fee | $ 3,873,474 |
| Impact Fee | Capital Improvements | 1,500,000 |

The amounts payable to the SPLOST 2005 and Impact Fee funds relate to working capital loans as additional funding sources for common projects. None of the balance is scheduled to be collected in the subsequent year.

**Transfers In/Out Other Funds**
Transfers to/from other funds at June 30, 2015 consist of the following:

| | Transfers Out | | | |
|---|---|---|---|---|
| **Transfers In** | **General Fund** | **Water Fund** | **Nonmajor Governmental Funds** | **Total** |
| Governmental Funds: | | | | |
| General | $ - | $ - | $ 478,053 | $ 478,053 |
| Proprietary Funds: | | | | |
| Solid Waste | 750,000 | - | - | 750,000 |
| Nonmajor governmental | 1,202,705 | 34,906 | 181,261 | 1,418,872 |
| | $ 1,952,705 | $ 34,906 | $ 659,314 | $ 2,646,925 |

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, 2015:

| 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 | $ 4,160,000 | $ 2,020,000 |

$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 | $ 1,628,297 | $ 226,540 |
| | | | | | $ 3,527,542 | $ 3,301,002 | $ 226,540 |

**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, 2015 was $1,116,068. 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. In 2015, the County and the Newton County Water and Sewer Authority implemented a clause in an Intergovernmental Agreement whereby the Authority would take over responsibility for the County's share of payment of this debt.

**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, 2015 | $ 709,996 | $ 136,870 |
| | | Amortization included |

Future mimimum lease payments at June 30, 2015 are as follows:

| **Fiscal Year Ending June 30,** | |
|---|---|
| 2016 | $ 130,978 |
| 2017 | 130,978 |
| 2018 | 77,229 |
| 2019 | 57,922 |
| Total minimum lease payments | 397,107 |
| Less: Interest portion of minimum lease payments | (22,449) |
| Present value of minimum lease payments | $ 374,658 |

**Note 6: Long-term Obligations, continued**

**Long-term Obligation Activity**
Changes in long-term obligations for the year ended June 30, 2015 are as follows:

| | June 30, 2014 As restated | Increases | Decreases | June 30, 2015 | Due within one year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| COPS 2003 (refunded) | $ 2,585,000 | $ - | $ 500,000 | $ 2,085,000 | $ 505,000 |
| COPS 2006 | 7,295,000 | - | 425,000 | 6,870,000 | 445,000 |
| GEFA notes payable | 368,811 | - | 142,271 | 226,540 | 149,211 |
| 2008 Library bonds | 1,080,000 | - | 530,000 | 550,000 | 550,000 |
| Georgia Perimeter College | 1,305,055 | - | 181,803 | 1,123,252 | 192,488 |
| Four County Joint Industrial Development Authority: | | | | | |
| Bonds | 1,575,000 | - | 187,500 | 1,387,500 | 187,500 |
| GEFA notes payable | 104,089 | - | 104,089 | - | - |
| Net pension liability | 2,817,523 | 532,188 | 611,007 | 2,738,704 | - |
| Contract payable | 401,823 | 552,931 | 475,719 | 479,035 | 208,923 |
| Capital lease obligations | 745,332 | - | 370,674 | 374,658 | 170,464 |
| Compensated absences | 2,082,962 | 378,973 | 442,038 | 2,019,897 | 200,000 |
| | $ 20,360,595 | $ 1,464,092 | $ 3,970,101 | $ 17,854,586 | $ 2,608,586 |

Governmental activities incurred a total of $497,005 of interest costs for the year ended June 30, 2015. 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 water reservoir and landfill equipment. The Cornish Creek Water Fund obligation will be paid in monthly payments of principal and interest of $3,876. 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.

| Proje | 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 | $ 65,257 | $ 745,729 |
| **Solid Waste Fund** | | | | | | | |
| 2010-L09-SW | 3.81% | Monthly | 5/1/2012 | 5/1/2032 | $ 4,000,000 | $ 436,657 | $ 3,563,343 |

**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

**Note 6: Long-term Obligations, continued**

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. 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, 2015:

| 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 | $ 6,300,000 | $ 1,870,000 |
| 12/31/1998 | Water Improvement | 5.35% | Semi-Annually | 1/1/1999 | 6/30/2017 | 6,405,000 | 4,935,000 | 1,470,000 |
| 9/1/2004 | Water Improvement | 4.50% | Semi-Annually | 9/1/2004 | 7/1/2024 | 37,490,000 | 37,490,000 | - |
| | | | | | | $ 52,065,000 | $ 48,725,000 | $ 3,340,000 |

**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, 2015 | $ 598,958 | $ 292,112 |
| | | Amortizaton included |

Future mimimum lease payments at June 30, 2015 are as follows:

| **Fiscal Year Ending June 30,** | |
|---|---|
| 2016 | $ 51,329 |
| 2017 | 16,147 |
| 2018 | - |
| Total minimum lease payments | 67,476 |
| Less: Interest portion of minimum lease payments | (3,036) |
| Present value of minimum lease payments | $ 64,440 |

**Note 6: Long-term Obligations, continued**
**Long-term Obligation Activity**

Changes in long-term obligations for the year ended June 30, 2015 are as follows:

| Enterprise Activities: | June 30, 2014 | Increases | Decreases | June 30, 2015 | Due within one year |
|---|---|---|---|---|---|
| Revenue Bonds: | | | | | |
| 2010 bonds | $ 2,110,000 | $ - | $ 275,000 | $ 1,835,000 | $ 285,000 |
| 2012 bonds | 20,865,000 | - | 1,795,000 | 19,070,000 | 1,825,000 |
| Notes payable: | | | | | |
| Water-GEFA | 781,531 | - | 35,802 | 745,729 | 36,306 |
| Solid Waste Fund-GEFA | 3,710,611 | - | 147,267 | 3,563,344 | 152,977 |
| Capial lease obligations: | | | | | |
| Solid Waste Fund | 252,304 | - | 187,864 | 64,440 | 48,590 |
| Landfill postclosure | 6,540,017 | 1,173,677 | - | 7,713,694 | 126,166 |
| | $ 34,259,463 | $ 1,173,677 | $ 2,440,933 | $ 32,992,207 | $ 2,474,039 |

The Cornish Creek Water fund incurred total interest costs of $517,209 of which all was expensed. The Solid Waste fund incurred $146,091 of interest costs that was expensed. The total interest incurred for Business-type Activities was $663,300.

***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 6: Long-term Obligations, continued**

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2015 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 |
| 2016 | $ 505,000 | $ 34,451 | $ 445,000 | $ 294,253 | $ 149,211 | $ 8,230 | 208,923 | $ 11,514 |
| 2017 | 515,000 | 24,863 | 465,000 | 272,615 | 77,328 | 1,397 | 215,278 | 5,159 |
| 2018 | 530,000 | 15,040 | 490,000 | 250,945 | - | - | 54,835 | 274 |
| 2019 | 535,000 | 5,029 | 505,000 | 228,275 | - | - | - | - |
| 2020 | - | - | 535,000 | 204,415 | - | - | - | - |
| 2020-2024 | - | - | 3,030,000 | 650,030 | - | - | - | - |
| 2025-2029 | - | - | 1,400,000 | 62,260 | - | - | - | - |
| | $ 2,085,000 | $ 79,383 | $ 6,870,000 | $ 1,962,793 | $ 226,539 | $ 9,627 | 479,036 | $ 16,947 |

| Year Ending | Library Bonds | | Georgia Perimeter | | *Joint Venture* Four County Industrial Development Authority Notes Payable | | GEFA | |
|---|---|---|---|---|---|---|---|---|
| June 30, | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | - | - | 236,416 | 9,246 | 262,000 | 4,200 | 13,858 | 1,787 |
| 2020-2024 | - | - | 52,770 | 389 | 262,500 | 2,100 | 29,786 | 1,576 |
| | $ 550,000 | $ 9,598 | $ 1,122,209 | $ 159,258 | $ 1,387,000 | $ 40,800 | $ 93,090 | $ 16,494 |

**Note 6: Long-term Obligations, continued**

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2015 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 |
| 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 | 310,000 | 25,800 | 37,863 | 8,651 | 171,470 | 114,618 |
| 2020 | 2,000,000 | 233,655 | 320,000 | 15,704 | 38,396 | 8,118 | 178,118 | 107,969 |
| 2020-2024 | 9,525,000 | 525,751 | 330,000 | 5,288 | 200,251 | 32,320 | 999,695 | 430,742 |
| 2025-2029 | - | - | - | - | 214,762 | 17,809 | 1,209,120 | 221,317 |
| 2030-2034 | - | - | - | - | 143,996 | 3,300 | 527,985 | 20,350 |
| | $ 19,070,000 | $ 2,122,430 | $ 1,835,000 | $ 181,282 | $ 745,729 | $ 99,280 | $ 3,563,343 | $ 1,276,303 |

## 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

The County stopped accepting new entrants in its pension plan in 1997, and the plan continues to be closed to new entrants. Additionally, the participants that were grandfathered into the plan do not earn additional benefits. Current service costs for the County are solely related to the increased salary base on which plan participant benefits will be based. 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 member contributions are recognized when due and the County has made a formal commitment to provide the contributions.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties except for current receivables of plan contributions due from the County.

### Plan Membership

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 76 |
| Terminated plan members entitled to but not yet receiving benefits | 70 |
| Active plan members | 44 |
| Total | 190 |

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

**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. 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. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement. The County's actuarially required contribution was $390,488 and its actual contribution was $390,488, or 100% of the required contribution and 18.1% of the covered compensation. At year-end the actual contribution was a current receivable of the plan and a liability against current financial resources of the County.

**Net Pension Liability**

The County's beginning *total pension liability* was determined based on an actuarial valuation as of December 31, 2013 and the beginning *net pension liability* was measured as of the same date. The ending *total pension liability* and *net pension liability* were both measured on December 31, 2014. The December 31, 2014 actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement as follows:

**Actuarial Methods and Assumptions**

| | |
|---|---|
| Investment return | 7.50% |
| Salary increases | 3.00% with an age based scale as follows: |

| Age | Salary increase |
|---|---|
| Under 30 | 3.0% plus 1.5% |
| 30-39 | 3.0% plus 1.0% |
| 40-49 | 3.0% less 0.5% |
| 50+ | 3.0% less 1.0% |

| | |
|---|---|
| Future payroll growth | 5.50% per year |

No cost of living adjustments are awarded after retirement.

| | |
|---|---|
| Mortality: | RP-2000, Combined |

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

**Discount Rate**

The discount rate is determined using a building block approach based on 20-year benchmarks (25% weighting), 30-year benchmarks (25% weighting), and forward-looking capital market assumptions for moderate asset allocations as determined by UBS (50% weighting). The discount rate is rounded to the nearest 0.25%.
The discount rate is calculated as follows:

| | Expected return | Weighting | Weighted return |
|---|---|---|---|
| 20-year benchmark weighted average return | 7.44% | 25% | 1.86% |
| 30-year benchmark weighted average return | 9.49% | 25% | 2.37% |
| UBS capital market moderate asset allocation assumption | 6.30% | 50% | 3.15% |
| Calculated discount rate | | | 7.38% |
| Rounded to the nearest 0.25% and used as the discount rate | | | **7.50%** |

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

| Benchmark | Allocation | Average 20 Year Return | Average 30 Year Return |
|---|---|---|---|
| S&P 500 | 30% | 8.80% | 10.74% |
| Barclay's Agg. (fixed income) | 30% | 5.75% | 7.80% |
| MCSE EAFE | 15% | 5.44% | 9.51% |
| Citi Non US WEBI | 5% | 5.48% | 5.48% |
| NAREIT Equity | 5% | 9.91% | 11.35% |
| Russell 2000 | 5% | 8.96% | 9.37% |
| Russell 3000 | 5% | 8.89% | 10.58% |
| S&P Mid-cap | 5% | 11.83% | 13.21% |
| | 100% | | |
| Weighted average return | | 7.44% | 9.49% |

The above calculated discount rate was used to calculate both the beginning and ending total pension liability. The average contribution made to the plan over the last 5 years was used to project plan assets. The projected plan assets are sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all projected promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

Because of the sensitivity of the calculation of the total pension liability to relatively small changes in the discount rate, the total pension liability calculated using discount rates one percentage point higher and lower than the discount rates actually used to calculate the total pension liability follows:

| | Discount Rate Senstivity Analysis | |
|---|---|---|
| | 6.50% | 8.50% |
| Total Pension Liability | $ 7,013,543 | $ 6,039,227 |
| Fiduciary Net Position | 3,656,729 | 3,656,729 |
| Net Pension Liability | $ 3,356,814 | $ 2,382,498 |

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

**Summary of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability**

The changes in the total pension liability, fiduciary net position and net pension liability from the beginning to the ending of the year are as follows:

| **Summary of Changes** | **Total Pension Liability** | **Fiduciary Net Position** | **Net Pension Liability** |
|---|---|---|---|
| Beginning of year | $ 6,533,310 | $ 3,715,787 | $ 2,817,523 |
| Service cost | 13,639 | - | 13,639 |
| Interest on total pension liability | 466,804 | - | 466,804 |
| Employer contributions | - | 373,938 | (373,938) |
| Net investment income | - | 237,069 | (237,069) |
| Benefit payments | (618,500) | (618,500) | - |
| Administrative expenses | - | (14,404) | 14,404 |
| Other expense | - | (37,341) | 37,341 |
| End of year | $ 6,395,253 | $ 3,656,549 | $ 2,738,704 |

**Calculation of Net Pension Liability**

The beginning and ending net pension liability is calculated as follows:

**Calculation of Net Pension Liability**

| | **Beginning** | **Ending** |
|---|---|---|
| Total Pension Liability | $ 6,533,310 | $ 6,395,253 |
| Fiduciary Net Position | 3,715,787 | 3,656,549 |
| Net Pension Liability | $ 2,817,523 | $ 2,738,704 |

**Pension Expense, Deferred Outflows Related to Pension Items and Deferred Inflows Related to Pension Items**

The pension expense reported by the County for the year is $270,717. The deferred outflows and inflows related to pension items are as follows:

**Pension Expense and Deferred Outflows and Inflows**

| | |
|---|---|
| Pension expenditures in the gov't funds | $ 390,488 |
| Change in deferred outflows | (16,550) |
| Change in net pension liability | (78,819) |
| Deferred inflow related to investment results | (30,503) |
| Amortization of deferred inflows | 6,101 |
| | $ 270,717 |

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

The unamortized deferred outflows and deferred inflows at year-end are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ - |
| Net difference between projected and actual earnings on Plan investments | - | (24,403) |
| Contributions made subsequent to the measurement of the total pension liability | 390,488 | - |
| | $ 390,488 | $ (24,403) |

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five year amortization period. The expected amortization of the County's current deferred outflows and inflows over the next five years as well as the amount of the County's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability follows:

| Year ended June 30, | Experience Difference | Assumption Change | Investment Results Difference | Subsequent Contributions |
|---|---|---|---|---|
| 2016 | $ - | $ - | $ 6,101 | $ 390,488 |
| 2017 | - | - | 6,101 | - |
| 2018 | - | - | 6,101 | - |
| 2019 | - | - | 6,100 | - |
| 2020 | - | - | - | - |
| | $ - | $ - | $ 24,403 | $ 390,488 |

**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 ICMA-RC, 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 during the year were $1,499,602 and forfeitures of $94,763. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners. Need amounts of pension expense and forfeitures for year and amount of employer's outstanding liability.

**Note 7: Retirement Benefits, continued**

**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 2014 | FYE 2015 |
|---|---|---|
| Unpaid Claims, beginning of year | $ 53,817 | $ 55,055 |
| Incurred Claims | (514,485) | (372,727) |
| Claim Payments | 515,723 | 427,889 |
| Unpaid Claims, end of year | $ 55,055 | $ 110,217 |

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

**Note 8: Risk Management, continued**

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 $396,063.

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, 2014, the hospital's fiscal year end, the balance on the certificates guaranteed by the County was $13,065,000. Complete financial statements of the Newton Health System, Inc. can be obtained directly from:

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

**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)

**Note 10: Joint Ventures, continued**

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

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

**Four County Industrial Development Authority**

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

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

**Note 11: Landfill Closure and Post Closure Care Cost**

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for a period of thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and postclosure care costs for the three landfills at year end totaled $5,550,964 for the Municipal Solid Waste Landfill (MSWL-1) and Municipal Solid Waste Landfill (MSWL-2) sites, and $1,207,730 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 as of year end which is 100% of the MSWL-1 site, 68.00% 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 $2,208,557 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 during the year.

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 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** |
| 2016 | 45,589 | 13,548 |
| 2017 | 48,251 | 11,086 |
| 2018 | 51,069 | 8,069 |
| 2019 | 54,051 | 5,087 |
| 2020 | 55,345 | 1,666 |
| | $ 254,305 | $ 39,456 |

## 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.

## Note 14: Implementation of GASB Statement No. 68 and GASB Statement No. 71

The County implemented the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* as of July 1, 2015. The implementation of these new standards affected the governmental activities of the government-wide level statements, but had no effect on the governmental funds. The County's proprietary funds were within the scope of the new statement, but none of the participants in the County's defined benefit pension plan work in activities accounted for in the County's proprietary funds.

The new standards require that the County's net position as of the beginning of the year be restated by eliminating the net pension benefit of $77,920 that the County previously reported under the reporting requirements of GASB 27, recording the entirety of the County's net pension liability of $2,817,523 and recording the County's calendar year 2014 pension contribution of $373,938 as a deferred outflow of resources at July 1, 2014. This change reduced beginning governmental net position by $2,521,505. The new accounting principle required that pension expenditures of $390,488 reported in the funds be reduced by $119,771 resulting in total pension expense in the governmental activities of the government-wide financial statements $270,717. Changes in the concepts used in the accounting principle preclude the County from determining what the pension expense for the 2015 fiscal year would have been had the new principle not been effective. Pension expense reported in the year ended June 30, 2014 under the GASB 27 standard was $514,880. Pro forma amounts for pension expense that would have been reported had the standard been implemented for the 2014 financial statements are not readily determinable.

# Required Supplementary Information

**NEWTON COUNTY, GEORGIA**
**Required Supplementary Information**
**Schedule of Changes in the County's Net Pension Liability and Related Ratios**
**For the Fiscal Year Ended June 30, 2015**

**Changes in Total Pension Liability**

| | | |
|---|---|---|
| Total Pension Liability - beginning of year | $ | 6,533,310 |
| Service cost | | 13,639 |
| Interest on total pension liability | | 466,804 |
| Change of benefit terms | | - |
| Assumption change | | - |
| Benefit payments (adjusted for interest) | | (618,500) |
| Experience gain / loss | | - |
| Total Pension Liability - end of year | | 6,395,253 |
| **Changes in Fiduciary Net Position** | | |
| Fiduciary Net Position - beginning of year | | 3,715,787 |
| Employer contributions | | 373,938 |
| Employee contributions (including buyback, if applicable) | | - |
| Net investment income | | 237,069 |
| Benefit payments | | (618,500) |
| Employee contribution refunds | | - |
| Administrative expense | | (14,404) |
| Other | | (37,341) |
| Fiduciary Net Position - end of year | | 3,656,549 |
| Net Pension Liability (Total Pension Liability less Fiduciary Net Position) - end of year | $ | 2,738,704 |
| Plan Fiduciary Net Position as a % of Total Pension Liability | | 57.18% |
| Covered payroll | $ | 2,312,088 |
| Net Pension Liability as % of Covered Payroll | | 118.45% |

**Schedule of County Contributions**
**For the Fiscal Year Ended June 30, 2015**

| | Actuarially Determined Contribution | Contributions in Relation to Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Contributions as Percentage of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2015 | $ 319,115 | $ 373,365 | $ (54,250) | $ 2,312,088 | 16.15% |

**NEWTON COUNTY, GEORGIA**
**Required Supplementary Information**
**Notes to Required Supplementary Information**
**For the Fiscal Year Ended June 30, 2015**

**Related to the Pension Data**

**Note A: Valuation Data**

The actuarially determined contribution rates are calculated as of January 1 of each year presented. The contributions are recorded during that year by the pension plan and the County and are paid using current financial resources directly following that year.

**Note B: Methods and Assumptions Used to Determine Contribution Rates**

| | |
|---|---|
| Actuarial cost method | Entry age |
| Asset valuation method | 5-year smoothed market |
| Amortization method | Level percentage compensation |
| Future payroll growth | 5.50% |
| Investment rate of return | 7.50% |

**Note C: Changes in Assumptions**

The investment return was changed from 7.75% to 7.50% in 2014. The investment return was changed from 8.0% to 7.75% in 2009. All other years assumed an 8.0% investment return. Age and service based employee termination rates were updated to more closely reflect actual experience in 2014. The mortality table was changed from the 1983 GAM, sex distinct table to the RP-2000 combined table in 2014. Retirement rates were updated in 201 The funding method was changed from Projected Unit Credit to Entry Age Normal in 2014.

**Note D: Historical Data**

The adoption on GASB Statement No. 68 resulted in a number of new definitions and concepts regarding measuring pension liabilities. Statement 68 introduced the concept of a total pension liability and a fiduciary net position. While the County has historical data that might be similar to these two amounts, the calculation of the amounts that the County has differ enough that presenting this information might be misleading. Accordingly, the County has not presented historical information about the changes in the total pension liability or the fiduciary net position. Statement 68 also requires the County to present historical contribution data of its pension plan if the plan has calculated an "actuarially determined contribution". The County believes that the Annual Required Contribution as calculated by the actuaries of the plan prior to the implementation of Statement 68 is an actuarially determined contribution. However, since historical information prior to the implementation of GASB 67/68 is not required, it is not presented at this time.

**NEWTON COUNTY, GEORGIA**
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**
**Budget (GAAP Basis) and Actual - General Fund**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 39,525,928 | $ 39,525,928 | $ 38,789,795 | $ (736,133) |
| Licenses and permits | 506,500 | 506,500 | 565,903 | 59,403 |
| Intergovernmental revenue | 1,244,173 | 1,244,173 | 1,133,474 | (110,699) |
| Charges for services | 4,026,500 | 4,026,500 | 3,806,117 | (220,383) |
| Fines and forfeitures | 1,231,500 | 1,231,500 | 1,317,157 | 85,657 |
| Investment income | 25,000 | 25,000 | 4,983 | (20,017) |
| Contributions and donations | 2,500 | 2,500 | 26,840 | 24,340 |
| Miscellaneous | 1,061,796 | 1,061,796 | 752,979 | (308,817) |
| **Total revenues** | 47,623,897 | 47,623,897 | 46,397,248 | (1,226,649) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government: | | | | |
| Governing Body | 1,502,890 | 1,858,776 | 1,908,586 | (49,810) |
| Elections | 557,504 | 557,504 | 405,125 | 152,379 |
| General Administration | 572,030 | 570,591 | 564,624 | 5,967 |
| Data Processing | 596,217 | 596,217 | 562,048 | 34,169 |
| Human resources | 233,352 | 233,352 | 247,074 | (13,722) |
| Tax commissioner | 1,002,413 | 1,002,413 | 961,260 | 41,153 |
| Tax assessor | 899,788 | 824,495 | 902,488 | (77,993) |
| Buildings & plant | 812,694 | 812,694 | 809,663 | 3,031 |
| Judicial | | | | |
| Superior court | 852,437 | 852,437 | 796,973 | 55,464 |
| Clerk of superior court | 1,182,881 | 1,182,881 | 1,146,777 | 36,104 |
| District attorney | 1,105,980 | 1,100,888 | 1,023,503 | 77,385 |
| Magistrate court | 262,593 | 262,593 | 260,810 | 1,783 |
| Probate court | 486,117 | 486,117 | 471,532 | 14,585 |
| Juvenile court | 886,035 | 841,159 | 857,342 | (16,183) |
| Public defender | 434,118 | 420,157 | 416,451 | 3,706 |
| Public safety | | | | |
| Sheriff | 10,760,041 | 10,760,041 | 10,358,706 | 401,335 |
| Jail operations | 9,336,865 | 9,336,865 | 10,057,618 | (720,753) |
| Fire | 3,695,658 | 3,695,658 | 3,656,928 | 38,730 |
| Coroner | 88,331 | 88,331 | 81,191 | 7,140 |
| Other protective services | 740,678 | 740,678 | 722,337 | 18,341 |
| Public works | | | | |
| Administration | 4,281,962 | 4,144,659 | 3,890,860 | 253,799 |
| Traffic engineering | 265,651 | 265,651 | 252,790 | 12,861 |
| Solid waste recycling | 134,532 | 134,532 | 134,229 | 303 |
| Maintenance & shop | 475,356 | 452,788 | 442,179 | 10,609 |
| Health and welfare | | | | |
| Welfare | 728,265 | 728,266 | 728,265 | 1 |
| Culture and recreation | | | | |
| Recreation | 1,702,934 | 1,702,934 | 1,702,934 | - |
| Parks | 99,918 | 99,918 | 95,458 | 4,460 |
| Library | 941,452 | 941,452 | 941,452 | - |

Continued on next page

**NEWTON COUNTY, GEORGIA**
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**
**Budget (GAAP Basis) and Actual - General Fund**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Housing and development | | | | |
| Conservation | $ 95,660 | $ 95,660 | $ 85,914 | $ 9,746 |
| Urban redevelopment | - | - | 9,277 | (9,277) |
| Planning and zoning | 969,776 | 914,422 | 886,665 | 27,757 |
| Economic development | 196,500 | 196,500 | 196,500 | - |
| **Total expenditures** | 45,900,628 | 45,900,629 | 45,577,497 | 323,132 |
| Excess (deficiency) of revenues over expenditures | 1,723,269 | 1,723,268 | 819,751 | (903,517) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Proceeds from sale of assets | 100,000 | 100,000 | - | (100,000) |
| Transfers in | - | - | 478,053 | 478,053 |
| Transfers (out) | (1,823,004) | (1,823,004) | (1,952,705) | (129,701) |
| **Total other financing sources (uses)** | (1,723,004) | (1,723,003) | (1,474,652) | 248,352 |
| **Net change in fund balance** | $ 265 | $ 265 | (654,901) | $ (655,165) |
| **Fund balance - beginning** | | | 6,492,194 | |
| **Fund balance - ending** | | | $ 5,837,293 | |

**Required Supplementary Information**
**Notes to Required Supplementary Information**
**For the Fiscal Year Ended June 30, 2015**

**Related to the Budget to actual Comparison**

**Basis of Presentation**

The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).

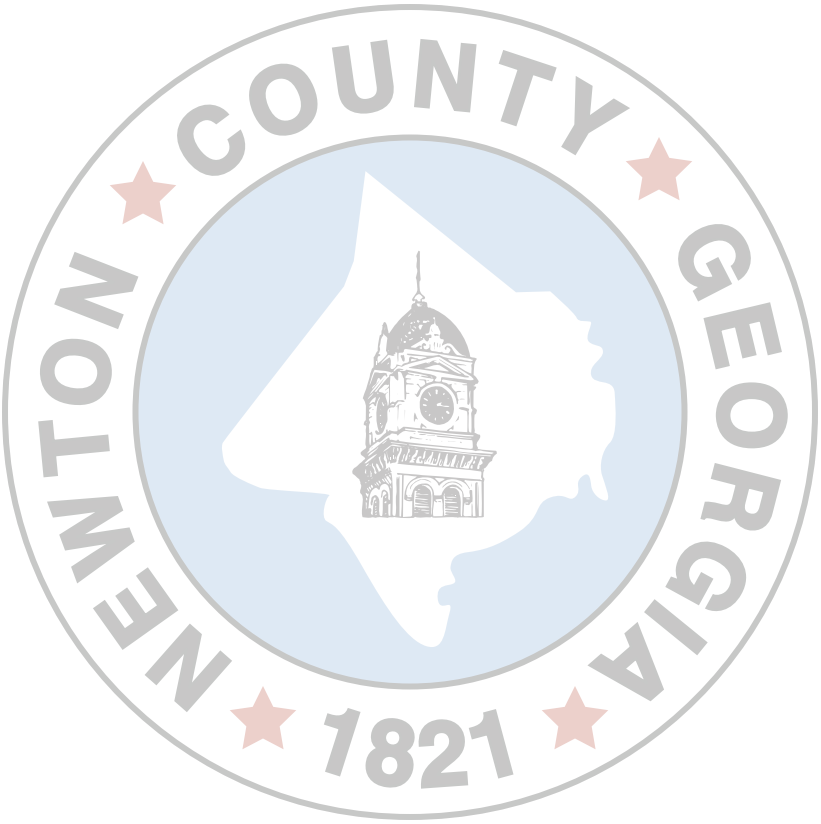
**Excess of Expenditure over Appropriations**

Individual departments within the General and Special Revenue Funds reported expenditures in excess of appropriations of:

The County determined that the following expenditures in excess of appropriation in the General Fund and Special Revenue funds do represent a significant violation of the budget and has included this violation of the budget in the footnotes to the financial statements.

| General Fund: | | Special Revenue Fund: | |
|---|---|---|---|
| Governing Body | $ 49,810 | E-911 | $ 291,455 |
| Tax Assessor | $ 77,993 | | |
| Juvenile Court | $ 16,183 | | |
| Jail | $ 720,753 | | |
| Human Resources | $ 13,722 | | |
| Urban Redevelopment | $ 9,277 | | |

# Combining and Individual Fund Statements and Schedules



# Major Funds

**NEWTON COUNTY, GEORGIA**
**2005 SPLOST Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Project Budget | Prior Years | Current Year | Total To Date |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 58,800,000 | $ 37,991,722 | $ - | $ 37,991,722 |
| Intergovernmental | - | 4,518,985 | - | 4,518,985 |
| Interest | - | 3,130,575 | 6,937 | 3,137,512 |
| Miscellaneous | - | 2,840 | 250 | 3,090 |
| **Total Revenues** | 58,800,000 | 45,644,122 | 7,187 | 45,651,309 |
| **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 | 35,862,762 | 1,341,669 | 37,204,431 |
| Debt service | 42,500,000 | 17,670,163 | - | 17,670,163 |
| **Total Expenditures** | 97,700,000 | 63,191,948 | 1,341,669 | 64,533,617 |
| **Excess of revenues over (under) expenditures** | (38,900,000) | (17,547,826) | (1,334,482) | (18,882,308) |
| **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** | $ - | $ 27,524,677 | (1,334,482) | $ 26,190,195 |
| **Fund balance - beginning** | | | 14,538,731 | |
| **Fund balance - ending** | | | $ 13,204,249 | |

**NEWTON COUNTY, GEORGIA**
**2011 SPLOST Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Project Budget | Prior Years | Current Year | Total To Date |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 57,600,000 | $ 32,189,639 | $ 10,894,276 | $ 43,083,915 |
| Intergovernmental | - | 105,000 | - | 105,000 |
| Interest | - | 19,106 | 17,175 | 36,281 |
| Miscellaneous | - | 35,687 | - | 35,687 |
| **Total Revenues** | 57,600,000 | 32,349,432 | 10,911,451 | 43,260,883 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | - | 830 | - | 830 |
| Intergovernmental | 16,619,140 | 5,652,998 | 1,913,036 | 7,566,034 |
| Capital outlay | 32,480,860 | 7,733,462 | 3,683,169 | 11,416,631 |
| Debt Service | 8,500,000 | 1,415,755 | 2,141,257 | 3,557,012 |
| **Total Expenditures** | 57,600,000 | 14,803,045 | 7,737,462 | 22,540,507 |
| **Excess of revenues over (under) expenditures** | - | 17,546,387 | 3,173,989 | 20,720,376 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Proceeds from bonds & capital leases | - | 2,034,735 | 569,611 | 2,604,346 |
| Transfers in | - | 102,492 | - | 102,492 |
| Transfers (out) | - | (4,447,128) | - | (4,447,128) |
| **Total other financing sources (uses)** | - | (2,309,901) | 569,611 | (1,740,290) |
| **Excess of revenues and other sources over (under) expenditures and other uses** | $ - | $ 15,236,486 | 3,743,600 | $ 18,980,086 |
| **Fund balance - beginning** | | | 15,236,486 | |
| **Fund balance - ending** | | | $ 18,980,086 | |

**NEWTON COUNTY, GEORGIA**
**Impact Fee fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Project Budget | Prior Year | Current Year | Total To Date |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Impact Fees | $ 383,881 | $ 6,043,377 | $ 383,881 | $ 6,427,258 |
| Miscellaneous | - | 301 | - | 301 |
| Interest | - | 345,543 | 395 | 345,938 |
| **Total Revenues** | 383,881 | 6,389,221 | 384,276 | 6,773,497 |
| **Expenditures:** | | | | |
| Personal services | - | 125,717 | 24,479 | 150,196 |
| Purchased/contracted services | - | 1,155 | 50,853 | 52,008 |
| Capital outlay | - | 304,488 | - | 304,488 |
| Debt service | - | - | 558,135 | 558,135 |
| **Total Expenditures** | - | 431,360 | 633,467 | 1,064,827 |
| **Excess of revenues over (under) expenditures** | $ 383,881 | $ 5,957,861 | (249,195) | $ 5,708,670 |
| **Fund balance, beginning** | | | (1,542,882) | |
| **Fund balance, ending** | | | $ (1,792,077) | |

# 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.

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, 2015**

| | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash | $ 2,191,122 | $ 645,920 | $ 2,170,030 | $ 5,007,072 |
| Investments | - | 1,986,240 | - | 1,986,240 |
| Taxes receivable | 44,810 | - | - | 44,810 |
| Due from other funds | - | - | 92,463 | 92,463 |
| Due from other governments | 302,025 | 226,540 | - | 528,565 |
| Due from others | 209,416 | - | 33,912 | 243,328 |
| Inventory | 7,966 | - | - | 7,966 |
| **Total assets** | $ 2,755,339 | $ 2,858,700 | $ 2,296,405 | $ 7,910,444 |
| **LIABILITIES AND FUND BALANCE** | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 307,213 | $ - | $ 277,854 | $ 585,067 |
| Due to other funds | 102,206 | - | 1,500,000 | 1,602,206 |
| Due to other governments | 307,892 | - | - | 307,892 |
| Due to others | 53,201 | - | - | 53,201 |
| **Total liabilities** | 770,512 | - | 1,777,854 | 2,548,366 |
| Deferred Inflows of Resources: | | | | |
| Unavailable property taxes | 44,083 | - | - | 44,083 |
| Fund Balance: | | | | |
| Nonspendable - Prepaid & inventory | 7,966 | - | - | 7,966 |
| Restricted: | | | | |
| General Government | 300,713 | - | - | 300,713 |
| Judicial | 469,133 | - | - | 469,133 |
| Public Safety | 1,272,382 | - | - | 1,272,382 |
| Debt Service | - | 2,858,700 | - | 2,858,700 |
| Capital projects | - | - | 518,551 | 518,551 |
| **Total fund balances** | 1,940,744 | 2,858,700 | 518,551 | 5,317,995 |
| **Total liabilities, deferred inflows and fund balances** | $ 2,755,339 | $ 2,858,700 | $ 2,296,405 | $ 7,910,444 |

**NEWTON COUNTY, GEORGIA**
**All Nonmajor Governmental Funds**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**
**For the Fiscal Year Ended June 30, 2015**

| | Special Revenue Funds | Debt Service Fund | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 1,300,650 | $ - | $ - | $ 1,300,650 |
| Intergovernmental | 1,484,917 | 1,482,052 | - | 2,966,969 |
| Charges for services | 1,641,135 | - | - | 1,641,135 |
| Fines and forfeitures | 652,614 | - | - | 652,614 |
| Investment income | 3,269 | 444 | 2,231 | 5,944 |
| Miscellaneous | 75,861 | - | - | 75,861 |
| **Total revenues** | 5,158,446 | 1,482,496 | 2,231 | 6,643,173 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 88,693 | - | - | 88,693 |
| Judicial | 954,652 | - | - | 954,652 |
| Public safety | 4,486,321 | - | - | 4,486,321 |
| Public works | 15,461 | - | - | 15,461 |
| Health and welfare | 59,153 | - | - | 59,153 |
| Culture and recreation | 8,200 | - | - | 8,200 |
| Housing and development | 153,896 | - | - | 153,896 |
| Debt Service: | | | | |
| Principal | 68,542 | 1,493,590 | - | 1,562,132 |
| Interest | 8,686 | 488,182 | - | 496,868 |
| Capital outlay | - | - | (371,453) | (371,453) |
| **Total expenditures** | 5,843,604 | 1,981,772 | (371,453) | 7,453,923 |
| **Excess of revenues over (under) expenditures** | (685,158) | (499,276) | 373,684 | (810,750) |
| **Other financing sources (uses)** | | | | |
| Transfers in | 418,706 | 907,703 | 92,463 | 1,418,872 |
| Transfers (out) | (478,052) | - | (181,261) | (659,313) |
| **Total other financing sources (uses)** | (59,346) | 907,703 | (88,798) | 759,559 |
| **Net change in fund balance** | (744,504) | 408,427 | 284,886 | (51,191) |
| **Fund balance - beginning** | 2,685,248 | 2,450,273 | 233,665 | 5,369,186 |
| **Fund balance - ending** | $ 1,940,744 | $ 2,858,700 | $ 518,551 | $ 5,317,995 |

**NEWTON COUNTY, GEORGIA**
**Special Revenue Funds**
**Combining Balance Sheet**
**June 30, 2015**

| ASSETS | Fire Districts | Drug Rehab/ Education | Juvenile Trust | Forfeited Funds | Seized Funds | County Jail Fund | District Attorney |
|---|---|---|---|---|---|---|---|
| Cash | $ 535,984 | $ 104,386 | $ 107,891 | $ 279,488 | $ 53,201 | $ 441,728 | $ 110,805 |
| Due from others | - | 10,047 | 2,345 | - | - | 10,457 | - |
| Due from other governments | 7,503 | 2,042 | - | - | - | 7,164 | - |
| Inventory | 7,966 | - | - | - | - | - | - |
| **Total Assets** | $ 596,263 | $ 116,475 | $ 110,236 | $ 279,488 | $ 53,201 | $ 459,349 | $ 110,805 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE** | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | $ 1,625 | $ 1,499 | $ 150 | $ - | $ - | $ 6,967 | $ - |
| Due to other funds | 7,214 | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - | - |
| Due to others | - | - | - | - | 53,201 | - | - |
| **Total Liabilities** | 8,839 | 1,499 | 150 | - | 53,201 | 6,967 | - |
| Deferred inflows of resouces: | | | | | | | |
| Unavailable property taxes | 44,083 | - | - | - | - | - | - |
| Fund Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid & inventory | 7,966 | - | - | - | - | - | - |
| Restricted: | | | | | | | |
| General Government | - | - | - | - | - | - | - |
| Judicial | - | - | 110,086 | - | - | - | 110,805 |
| Public Safety | 535,375 | 114,976 | - | 279,488 | - | 452,382 | - |
| **Total Fund Balance** | 543,341 | 114,976 | 110,086 | 279,488 | - | 452,382 | 110,805 |
| **Total Liabilities, Deferred Inflows and Fund Balance** | $ 596,263 | $ 116,475 | $ 110,236 | $ 279,488 | $ 53,201 | $ 459,349 | $ 110,805 |

| ASSETS | Law Library | Real Estate Grant | E-911 | Sheriff Special Revenue | Multiple Grant | NSP Grant | Totals |
|---|---|---|---|---|---|---|---|
| Cash | $ 93,283 | $ 20,596 | $ 284,110 | $ 29,755 | $ 129,895 | $ - | $ 2,191,122 |
| Due from others | - | - | 183,610 | - | - | 2,957 | 209,416 |
| Due from other governments | - | - | - | - | 285,316 | - | 302,025 |
| Inventory | - | - | - | - | - | - | 7,966 |
| **Total Assets** | $ 93,283 | $ 20,596 | $ 467,720 | $ 29,755 | $ 415,211 | $ 2,957 | $ 2,755,339 |
| **LIABILITIES, DEFERRED OF RESOURCES AND FU** | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | $ - | $ - | $ 263,442 | $ - | $ 33,530 | $ - | $ 307,213 |
| Due to other funds | - | - | - | - | 94,992 | - | 102,206 |
| Due to other governments | - | - | 307,892 | - | - | - | 307,892 |
| Due to others | - | - | - | - | - | - | 53,201 |
| **Total Liabilities** | - | - | 571,334 | - | 128,522 | - | 770,512 |
| Deferred inflows of resouces: | | | | | | | |
| Unavailable property taxes | - | - | - | - | - | - | 44,083 |
| Fund Balance: | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid & inventory | - | - | - | - | - | - | 7,966 |
| Restricted: | | | | | | | |
| General Government | - | - | - | - | 297,756 | 2,957 | 300,713 |
| Judicial | 93,283 | 20,596 | - | - | 134,363 | | 469,133 |
| Public Safety | - | - | (103,614) | 29,755 | (35,980) | - | 1,272,382 |
| **Total Fund Balance** | 93,283 | 20,596 | (103,614) | 29,755 | 286,689 | 2,957 | 1,940,744 |
| **Total Liabilities, Deferred Inflows and Fund Balance** | $ 93,283 | $ 20,596 | $ 467,720 | $ 29,755 | $ 415,211 | $ 2,957 | $ 2,755,339 |

**NEWTON COUNTY, GEORGIA**
**Special Revenue Funds**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**
**For the Fiscal Year Ended June 30, 2015**

| REVENUES | Fire Districts | Drug Rehab/ Education | Juvenile Trust | Forfeited Funds | Seized Funds | County Jail Fund | District Attorney |
|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | |
| Taxes | $ 1,300,650 | $ - | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | 14,390 | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines & forfeitures | - | 115,118 | 20,946 | 168,695 | - | 209,526 | 99,789 |
| Investment income | 1,306 | 58 | 104 | 38 | - | 337 | 20 |
| Miscellaneous | - | - | - | 43,035 | - | (2,000) | - |
| **Total Revenues** | 1,316,346 | 115,176 | 21,050 | 211,768 | - | 207,863 | 99,809 |
| **EXPENDITURES** | | | | | | | |
| General government | - | - | - | - | - | - | - |
| Judicial | - | - | 15,876 | - | - | - | 104,503 |
| Public safety | 1,795,723 | 35,297 | - | 82,258 | - | 47,384 | - |
| Public works | - | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Housing and development | - | - | - | - | - | - | - |
| **Total Expenditures** | 1,795,723 | 35,297 | 15,876 | 82,258 | - | 47,384 | 104,503 |
| **Revenues over (under) expenditures** | (479,377) | 79,879 | 5,174 | 129,510 | - | 160,479 | (4,694) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | |
| Transfer in | - | - | - | - | - | - | - |
| Transfer (out) | (478,052) | - | - | - | - | - | - |
| | (478,052) | - | - | - | - | - | - |
| **Revenues and other sources over (under) expenditures** | (957,429) | 79,879 | 5,174 | 129,510 | - | 160,479 | (4,694) |
| **Fund Balance - Beginning** | 1,500,770 | 35,097 | 104,912 | 149,978 | - | 291,903 | 115,499 |
| **Fund Balance - Ending** | $ 543,341 | $ 114,976 | $ 110,086 | $ 279,488 | $ - | $ 452,382 | $ 110,805 |

| REVENUES | Law Library | Real Estate Grant | E-911 | Sheriff Special Revenue | Multiple Grant | NSP Grant | Totals |
|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,300,650 |
| Intergovernmental | - | 11,566 | 9,343 | - | 1,305,773 | 143,845 | 1,484,917 |
| Charges for services | - | - | 1,620,684 | - | 20,451 | - | 1,641,135 |
| Fines & forfeitures | 38,540 | - | - | - | - | - | 652,614 |
| Investment income | 46 | - | 678 | - | 682 | - | 3,269 |
| Miscellaneous | - | - | 356 | 26,661 | 7,809 | - | 75,861 |
| **Total Revenues** | 38,586 | 11,566 | 1,631,061 | 26,661 | 1,334,715 | 143,845 | 5,158,446 |
| **EXPENDITURES** | | | | | | | |
| General government | - | - | - | - | 88,693 | - | 88,693 |
| Judicial | 37,626 | - | - | - | 796,647 | - | 954,652 |
| Public safety | - | - | 2,192,455 | 24,310 | 386,122 | - | 4,563,549 |
| Public works | - | - | - | - | 15,461 | - | 15,461 |
| Health and welfare | - | - | - | - | 59,153 | - | 59,153 |
| Culture and recreation | - | - | - | - | 8,200 | - | 8,200 |
| Housing and development | - | - | - | - | 11,250 | 142,646 | 153,896 |
| **Total Expenditures** | 37,626 | - | 2,192,455 | 24,310 | 1,365,526 | 142,646 | 5,843,604 |
| **Revenues over (under) expenditures** | 960 | 11,566 | (561,394) | 2,351 | (30,811) | 1,199 | (685,158) |
| **OTHER FINANCING SOUI** | | | | | | | |
| Transfer in | - | - | 400,000 | - | 18,706 | - | 418,706 |
| Transfer (out) | - | - | - | - | - | - | (478,052) |
| | - | - | 400,000 | - | 18,706 | - | (59,346) |
| **Revenues and other sources over (under) expenditures** | 960 | 11,566 | (161,394) | 2,351 | (12,105) | 1,199 | (744,504) |
| **Fund Balance - Beginning** | 92,323 | 9,030 | 57,780 | 27,404 | 298,794 | 1,758 | 2,685,248 |
| **Fund Balance - Ending** | $ 93,283 | $ 20,596 | $ (103,614) | $ 29,755 | $ 286,689 | $ 2,957 | $ 1,940,744 |

**NEWTON COUNTY, GEORGIA**
**Fire Districts Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 535,984 |
| Taxes receivable | 44,810 |
| Inventory | 7,966 |
| Due from other governments | 7,503 |
| **Total Assets** | $ 596,263 |
| | |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ 1,625 |
| Due to other funds | 7,214 |
| **Total Liabilities** | 8,839 |
| | |
| Deferred Inflows- | |
| Unavailable property taxes | 44,083 |
| | |
| Fund Balance- | |
| Nonspendable - Prepaid and inventory | 7,966 |
| Restricted - Public Safety | 535,375 |
| **Total Liabilities, Deferred Inflows and Fund Balance** | $ 596,263 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 1,325,000 | $ 1,325,000 | $ 1,300,650 | $ (24,350) |
| Intergovernmental | - | - | 14,390 | 14,390 |
| Interest | - | - | 1,306 | 1,306 |
| **Total Revenues** | 1,325,000 | 1,325,000 | 1,316,346 | (8,654) |
| | | | | |
| **EXPENDITURES** | | | | |
| Public safety | 1,721,000 | 1,721,000 | 1,718,495 | 2,505 |
| Debt service: | | | | |
| Principal | 70,000 | 70,000 | 68,542 | 1,458 |
| Interest | 9,000 | 9,000 | 8,686 | 314 |
| **Total Expenditures** | 1,800,000 | 1,800,000 | 1,795,723 | 4,277 |
| | | | | |
| **Revenues over (under) expenditures** | (475,000) | (475,000) | (479,377) | (4,377) |
| | | | | |
| **Other Financing Sources and uses:** | | | | |
| Transfer (out) | 500,000 | 500,000 | (478,052) | 978,052 |
| | 500,000 | 500,000 | (478,052) | 978,052 |
| **Revenues over (under) expenditures and other financing sources (uses)** | $ 25,000 | $ 25,000 | (957,429) | $ (982,429) |
| | | | | |
| **Fund Balance - Beginning** | | | 1,500,770 | |
| | | | | |
| **Fund Balance - Ending** | | | $ 543,341 | |

**NEWTON COUNTY, GEORGIA**
**Drug Rehab/Education Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 104,386 |
| Accounts receivable | 10,047 |
| Due from other governments | 2,042 |
| **Total Assets** | $ 116,475 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ 1,499 |
| **Total Liabilities** | 1,499 |
| Fund Balance: | |
| Restricted - Public Safety | 114,976 |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 116,475 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 125,000 | $ 125,000 | $ 115,118 | $ (9,882) |
| Interest | - | - | 58 | 58 |
| **Total Revenues** | 125,000 | 125,000 | 115,176 | (9,824) |
| **EXPENDITURES** | | | | |
| Public safety | 125,000 | 125,000 | 35,297 | 89,703 |
| **Total Expenditures** | 125,000 | 125,000 | 35,297 | 89,703 |
| **Revenues over (under) expenditures** | $ - | $ - | 79,879 | $ 79,879 |
| **Fund Balance - Beginning** | | | 35,097 | |
| **Fund Balance - Ending** | | | $ 114,976 | |

**NEWTON COUNTY, GEORGIA**
**Juvenile Trust Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 107,891 |
| Accounts receivable | 2,345 |
| **Total Assets** | $ 110,236 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ 150 |
| **Total Liabilities** | 150 |
| Fund Balance: | |
| Restricted - Judicial | 110,086 |
| Unreserved | - |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 110,236 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 25,000 | $ 25,000 | $ 20,946 | $ (4,054) |
| Interest | - | - | 104 | 104 |
| **Total Revenues** | 25,000 | 25,000 | 21,050 | (3,950) |
| **EXPENDITURES** | | | | |
| Judicial | 25,000 | 25,000 | 15,876 | 9,124 |
| **Total Expenditures** | 25,000 | 25,000 | 15,876 | 9,124 |
| **Revenues over (under) expenditures** | $ - | $ - | 5,174 | $ 5,174 |
| **Fund Balance - Beginning** | | | 104,912 | |
| **Fund Balance - Ending** | | | $ 110,086 | |

**NEWTON COUNTY, GEORGIA**
**Forfeited Drug Seizure Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 279,488 |
| **Total Assets** | $ 279,488 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ - |
| **Total Liabilities** | - |
| Fund Balance: | |
| Restricted - Public Safety | 279,488 |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 279,488 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 100,000 | $ 100,000 | $ 168,695 | $ 68,695 |
| Interest | - | - | 38 | 38 |
| Other | - | - | 43,035 | 43,035 |
| **Total Revenues** | 100,000 | 100,000 | 211,768 | 111,768 |
| **EXPENDITURES** | | | | |
| Public safety | 100,000 | 100,000 | 82,258 | 17,742 |
| **Total Expenditures** | 100,000 | 100,000 | 82,258 | 17,742 |
| **Revenues under expenditures** | $ - | $ - | 129,510 | $ 129,510 |
| **Fund Balance - Beginning** | | | 149,978 | |
| **Fund Balance - Ending** | | | $ 279,488 | |

**NEWTON COUNTY, GEORGIA**
**Seized Fund Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 53,201 |
| **Total Assets** | $ 53,201 |
| **LIABILITIES AND FUND BALANCE** | |
| Due to others | $ 53,201 |
| **Total Liabilities** | 53,201 |
| Fund Balance: | |
| Restricted - Public Safety | - |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 53,201 |

**NEWTON COUNTY, GEORGIA**
**County Jail Fund Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 441,728 |
| Due from others | 10,457 |
| Due from other governments | 7,164 |
| **Total Assets** | $ 459,349 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ 6,967 |
| **Total Liabilities** | 6,967 |
| Fund Balance: | |
| Restricted - Public Safety | 452,382 |
| Unrestricted | |
| **Total Liabilities and** | |
| **Total Liabilities and Fund Balance** | $ 459,349 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 175,000 | $ 175,000 | $ 209,526 | $ 34,526 |
| Interest | - | - | 337 | 337 |
| Other | - | - | (2,000) | (2,000) |
| **Total Revenues** | 175,000 | 175,000 | 207,863 | 32,863 |
| **EXPENDITURES** | | | | |
| Public safety | 175,000 | 175,000 | 47,384 | 127,616 |
| **Total Expenditures** | 175,000 | 175,000 | 47,384 | 127,616 |
| **Revenues over (under) expenditures** | $ - | $ - | 160,479 | $ 160,479 |
| **Fund Balance - Beginning** | | | 291,903 | |
| **Fund Balance - Ending** | | | $ 452,382 | |

**NEWTON COUNTY, GEORGIA**
**District Attorney Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 110,805 |
| **Total Assets** | $ 110,805 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ - |
| **Total Liabilities** | - |
| Fund Balance: | |
| Restricted - Judicial | 110,805 |
| Unreserved | |
| **Total Liabilities and Fund Balance** | $ 110,805 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 105,000 | $ 105,000 | $ 99,789 | $ (5,211) |
| Interest | - | - | 20 | 20 |
| **Total Revenues** | 105,000 | 105,000 | 99,809 | (5,191) |
| **EXPENDITURES** | | | | |
| Judicial | 105,000 | 105,000 | 104,503 | 497 |
| **Total Expenditures** | 105,000 | 105,000 | 104,503 | 497 |
| **Revenues over (under) expenditures** | $ - | $ - | (4,694) | $ (4,694) |
| **Fund Balance - Beginning** | | | 115,499 | |
| **Fund Balance - Ending** | | | $ 110,805 | |

**NEWTON COUNTY, GEORGIA**
**Law Library Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 93,283 |
| **Total Assets** | $ 93,283 |
| **LIABILITIES AND FUND BALANCE** | |
| Fund Balance: | |
| Restricted - Judicial | $ 93,283 |
| Unreserved | |
| **Total Liabilities and** | |
| **Total Liabilities and Fund Balance** | $ 93,283 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines & law enforcement | $ 49,900 | $ 49,900 | $ 38,540 | $ (11,360) |
| Interest | 100 | 100 | 46 | (54) |
| **Total Revenues** | 50,000 | 50,000 | 38,586 | (11,414) |
| **EXPENDITURES** | | | | |
| Judicial | 50,000 | 50,000 | 37,626 | 12,374 |
| **Total Expenditures** | 50,000 | 50,000 | 37,626 | 12,374 |
| **Revenues over (under) expenditures** | $ - | $ - | 960 | $ 960 |
| **Fund Balance - Beginning** | | | 92,323 | |
| **Fund Balance - Ending** | | | $ 93,283 | |

**NEWTON COUNTY, GEORGIA**
**Real Estate Grant Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 20,596 |
| **Total Assets** | $ 20,596 |
| **LIABILITIES AND FUND BALANCE** | |
| Fund Balance: | |
| Restricted - Judicial | $ 20,596 |
| Unreserved | |
| **Total Liabilities and** | |
| **Total Liabilities and Fund Balance** | $ 20,596 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Intergovernmental | $ 5,000 | $ 5,000 | $ 11,566 | $ 6,566 |
| **Total Revenues** | 5,000 | 5,000 | 11,566 | 6,566 |
| **EXPENDITURES** | | | | |
| Judicial | 5,000 | 5,000 | - | 5,000 |
| **Total Expenditures** | 5,000 | 5,000 | - | 5,000 |
| **Revenues over (under) expenditures** | $ - | $ - | 11,566 | $ 11,566 |
| **Fund Balance - Beginning** | | | 9,030 | |
| **Fund Balance - Ending** | | | $ 20,596 | |

**NEWTON COUNTY, GEORGIA**
**E-911 Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 284,110 |
| Accounts receivable | 183,610 |
| **Total Assets** | $ 467,720 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ 263,442 |
| Due to other governments | 307,892 |
| **Total Liabilities** | 571,334 |
| Fund Balance: | |
| Restricted - Public Safety | (103,614) |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 467,720 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 1,500,000 | $ 1,500,000 | $ 1,620,684 | $ 120,684 |
| Interest | 1,000 | 1,000 | 678 | (322) |
| Other | - | - | 356 | 356 |
| **Total Revenues** | 1,501,000 | 1,501,000 | 1,631,061 | 130,061 |
| **EXPENDITURES** | | | | |
| Public safety | 1,901,000 | 1,901,000 | 2,192,455 | (291,455) |
| **Total Expenditures** | 1,901,000 | 1,901,000 | 2,192,455 | (291,455) |
| **Revenues under expenditures** | (400,000) | (400,000) | (561,394) | (161,394) |
| **Other Financing Sources** | | | | |
| Transfers in | 400,000 | 400,000 | 400,000 | - |
| **Revenues and other financing sources under expenditures** | $ - | $ - | (161,394) | $ (161,394) |
| **Fund Balance - Beginning** | | | 57,780 | |
| **Fund Balance - Ending** | | | $ (103,614) | |

**NEWTON COUNTY, GEORGIA**
**Sheriff Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 29,755 |
| **Total Assets** | $ 29,755 |
| **LIABILITIES AND FUND BALANCE** | |
| Fund Balance: | |
| Restricted - Public Safety | $ 29,755 |
| **Total Liabilities and Total Liabilities and Fund Balance** | $ 29,755 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Other | $ 50,000 | $ 50,000 | $ 26,661 | $ (23,339) |
| **Total Revenues** | 50,000 | 50,000 | 26,661 | (23,339) |
| **EXPENDITURES** | | | | |
| Public safety | 50,000 | 50,000 | 24,310 | 25,690 |
| **Total Expenditures** | 50,000 | 50,000 | 24,310 | 25,690 |
| **Revenues over (under) expenditures** | $ - | $ - | 2,351 | $ 2,351 |
| **Fund Balance - Beginning** | | | 27,404 | |
| **Fund Balance - Ending** | | | $ 29,755 | |

**NEWTON COUNTY, GEORGIA**
**Multiple Grant Special Revenue Fund**
**Balance Sheet**
**June 30, 2015**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 129,895 |
| Due from other governments | | 285,316 |
| **Total Assets** | $ | 415,211 |
| **LIABILITIES AND FUND BALANCE** | | |
| Accounts payable | $ | 33,530 |
| Due to other funds | | 94,992 |
| **Total Liabilities** | | 128,522 |
| Fund Balance: | | |
| Restricted: | | |
| General Government | | 297,756 |
| Judicial | | 134,363 |
| Public Safety | | (35,980) |
| Public Works | | (67,196) |
| Culture & recreation | | (42,376) |
| Health & welfare | | 122 |
| Housing & development | | (56,250) |
| **Total Fund Balance** | | 286,689 |
| **Total Liabilities and Fund Balance** | $ | 415,211 |

**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, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Intergovernmental | $ 1,390,500 | $ 1,390,500 | $ 1,305,773 | $ (84,727) |
| Charges for services | - | - | 20,451 | 20,451 |
| Other | - | - | 7,809 | 7,809 |
| Interest | - | - | 682 | 682 |
| **Total Revenues** | 1,390,500 | 1,390,500 | 1,334,715 | (55,785) |
| **EXPENDITURES** | | | | |
| General | 70,000 | 70,000 | 88,693 | (18,693) |
| Judicial | 800,000 | 800,000 | 796,647 | 3,353 |
| Public safety | 390,000 | 390,000 | 386,122 | 3,878 |
| Public works | 50,000 | 50,000 | 15,461 | 34,539 |
| Health and welfare | 60,000 | 60,000 | 59,153 | 847 |
| Culture and recreation | 8,500 | 8,500 | 8,200 | 300 |
| Housing and development | 12,000 | 12,000 | 11,250 | 750 |
| **Total Expenditures** | 1,390,500 | 1,390,500 | 1,365,526 | 24,974 |
| **Revenues over (under) expenditures** | - | - | (30,811) | (30,811) |
| **Other financing sources (uses):** | | | | |
| Transfers in | - | - | 111,169 | 111,169 |
| Transfers (out) | | | (92,463) | |
| | - | - | 18,706 | 111,169 |
| **Revenues over expenditures and other financing sources** | $ - | $ - | (12,105) | $ 80,358 |
| **Fund Balance - Beginning** | | | 298,794 | |
| **Fund Balance - Ending** | | | $ 286,689 | |

**NEWTON COUNTY, GEORGIA**
**Neighborhood Stabilization Grant Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Due from others | $ 2,957 |
| **Total Assets** | $ 2,957 |
| **LIABILITIES AND FUND BALANCE** | |
| Accounts payable | $ - |
| **Total Liabilities** | - |
| Fund Balance | 2,957 |
| **Total Liabilities and Fund Balance** | $ 2,957 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Intergovernmental | $ 144,000 | $ 144,000 | $ 143,845 | $ (155) |
| **Total Revenues** | 144,000 | 144,000 | 143,845 | (155) |
| **EXPENDITURES** | | | | |
| Housing and development | 144,000 | 144,000 | 142,646 | 1,354 |
| **Total Expenditures** | 144,000 | 144,000 | 142,646 | 1,354 |
| **Revenues over (under) expenditures** | $ - | $ - | 1,199 | $ 1,199 |
| **Fund Balance - Beginning** | | | 1,758 | |
| **Fund Balance - Ending** | | | $ 2,957 | |

**NEWTON COUNTY, GEORGIA**
**Capital Project Funds**
**Combining Balance Sheet**
**June 30, 2015**

| | Capital Improvement Fund | FEMA Grant Fund | Totals |
|---|---|---|---|
| **ASSETS** | | | |
| Cash | $ 2,120,288 | $ 49,742 | $ 2,170,030 |
| Due from others | 33,912 | - | 33,912 |
| Due from other funds | 92,463 | - | 92,463 |
| **Total Assets** | $ 2,246,663 | $ 49,742 | $ 2,296,405 |
| **LIABILITIES AND FUND BALANCE** | | | |
| **Liabilities** | | | |
| Accounts payable | $ 277,854 | $ - | $ 277,854 |
| Due to other funds | 1,500,000 | - | 1,500,000 |
| **Total Liabilities** | 1,777,854 | - | 1,777,854 |
| **Fund Balance** | | | |
| Restricted - Capital projects | 468,809 | 49,742 | 518,551 |
| **Total Fund Balance** | 468,809 | 49,742 | 518,551 |
| **Total Liabilities and Fund Balance** | $ 2,246,663 | $ 49,742 | $ 2,296,405 |

**NEWTON COUNTY, GEORGIA**
**Capital Project Funds**
**Combining Statement of Revenues, Expenditures**
**And Changes in Fund Balance**
**For the Fiscal Year Ended June 30, 2015**

| | Capital Improvement Fund | FEMA Grant Fund | Totals |
|---|---|---|---|
| **REVENUES** | | | |
| Interest | $ 2,231 | $ - | $ 2,231 |
| Miscellaneous | - | - | - |
| **Total Revenues** | 2,231 | - | 2,231 |
| **EXPENDITURES** | | | |
| Capital outlay | (371,453) | - | (371,453) |
| **Total Expenditures** | (371,453) | - | (371,453) |
| **Excess of revenues over (under) expenditures** | 373,684 | - | 373,684 |
| **Other financing uses:** | | | |
| Transfers in | 92,463 | - | 92,463 |
| Transfers (out) | (181,261) | - | (181,261) |
| | (88,798) | - | (88,798) |
| **Excess of revenues over (under) expenditures and other uses** | 284,886 | - | 284,886 |
| **Fund balance - beginning** | 183,923 | 49,742 | 233,665 |
| **Fund balance - ending** | $ 468,809 | $ 49,742 | $ 518,551 |

**NEWTON COUNTY, GEORGIA**
**Capital Improvement Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 2,120,288 |
| Due from other funds | 92,463 |
| Due from others | 33,912 |
| **Total Assets** | $ 2,246,663 |
| | |
| **LIABILITIES AND FUND BALANCE** | |
| | |
| **Liabilities** | |
| Accounts payable | $ 277,854 |
| Due to other funds | 1,500,000 |
| **Total Liabilities** | 1,777,854 |
| | |
| **Fund Balance** | |
| Restricted - Capital projects | 468,809 |
| **Total Fund Balance** | 468,809 |
| **Total Liabilities and Fund Balance** | $ 2,246,663 |

**Schedule of Revenues, Expenditures and Changes**
**in Fund Balance - Budget (GAAP Basis) and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Project Budget | Current Year |
|---|---|---|
| **REVENUES** | | |
| Intergovernmental | $ - | $ - |
| Interest | - | 2,231 |
| **Total Revenues** | - | 2,231 |
| | | |
| **EXPENDITURES** | | |
| Capital outlay | 1,200,000 | (371,453) |
| | | |
| **Total Expenditures** | 1,200,000 | (371,453) |
| | | |
| **Excess of revenues (under) expenditures** | (1,200,000) | 373,684 |
| | | |
| **Other financing sources (uses):** | | |
| Transfers in | 1,200,000 | 92,463 |
| Transfers (out) | - | (181,261) |
| | | |
| **Excess of revenues under expenditures and other financing sources (uses)** | $ - | 284,886 |
| | | |
| **Fund balance - beginning** | | 183,923 |
| | | |
| **Fund balance - ending** | | $ 468,809 |

**NEWTON COUNTY, GEORGIA**
**FEMA Grant**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 49,742 |
| **Total Assets** | $ 49,742 |
| | |
| **LIABILITIES AND FUND BALANCE** | |
| **Liabilities** | |
| Accounts payable | $ - |
| **Total Liabilities** | - |
| | |
| **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, 2015**

| | 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 and other sources over (under) expenditures and other use** | $ - | $ 635,586 | - | $ 635,586 |
| | | | | |
| **Fund balance - beginning** | | | 49,742 | |
| | | | | |
| **Fund balance - ending** | | | $ 49,742 | |

**NEWTON COUNTY, GEORGIA**
**Debt Service Fund**
**Balance Sheet**
**June 30, 2015**

| | |
|---|---|
| **ASSETS** | |
| Cash | $ 645,920 |
| Investments | 1,986,240 |
| Due from other governments | 226,540 |
| **Total assets** | $ 2,858,700 |
| | |
| **LIABILITIES AND FUND BALANCE** | |
| Liabilities: | |
| Accounts payable | $ - |
| **Total liabilities** | - |
| | |
| Fund Balance: | |
| Restricted - Debt Service | 2,858,700 |
| **Total fund balances** | 2,858,700 |
| **Total liabilities and fund balances** | $ 2,858,700 |

**Schedule of Revenues, Expenditures and**
**Changes in Fund Balance - Budget (GAAP Basis) and Actual**
**For the Fiscal Year Ended June 30, 2015**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Intergovernmental revenue | $ - | $ - | $ 1,482,052 | $ 1,482,052 |
| Interest income | - | - | 444 | 444 |
| **Total Revenues** | - | - | 1,482,496 | 1,482,496 |
| | | | | |
| **EXPENDITURES** | | | | |
| **Economic development** | | | | |
| Principal payments | 1,500,000 | 1,500,000 | 1,493,590 | 6,410 |
| Interest & fiscal charges | 650,000 | 650,000 | 488,182 | 161,818 |
| **Total Expenditures** | 2,150,000 | 2,150,000 | 1,981,772 | 168,228 |
| | | | | |
| **Excess of revenues over (under) expenditures** | (2,150,000) | (2,150,000) | (499,276) | 1,650,724 |
| | | | | |
| **Other financing sources (uses):** | | | | |
| Transfers in | 2,150,000 | 2,150,000 | 907,703 | (1,242,297) |
| **Total Other financing sources (uses)** | 2,150,000 | 2,150,000 | 907,703 | (1,242,297) |
| | | | | |
| **Net change in fund balances** | $ - | $ - | 408,427 | $ 408,427 |
| | | | | |
| **Fund balance - beginning** | | | 2,450,273 | |
| | | | | |
| **Fund balance - ending** | | | $ 2,858,700 | |

# 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, 2015**

| | Gaither's Plantation Fund |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash and cash equivalents | $ 292 |
| **Total current assets** | 292 |
| **Capital Assets,** | |
| Being depreciated, net of depreciation | 185,359 |
| **Net capital assets** | 185,359 |
| **Total noncurrent assets** | 185,359 |
| **Total assets** | $ 185,651 |
| **LIABILITIES** | |
| **Current Liabilities** | |
| Accounts payable | $ 770 |
| Deposits | 3,600 |
| **Total liabilities** | 4,370 |
| **NET POSITION** | |
| Net investment in capital assets | 185,359 |
| Unrestricted | (4,078) |
| **Total net position** | $ 181,281 |

**NEWTON COUNTY, GEORGIA**
**Nonmajor Enterprise Fund**
**Statement of Revenues Expenses and Changes in Net Position**
**Proprietary Funds**
**For the Fiscal Year Ended June 30, 2015**

| | Gaither's Plantation Fund |
|---|---|
| **REVENUES** | |
| Rental income | $ 18,212 |
| Miscellaneous income | 100 |
| **Total operating revenues** | 18,312 |
| | |
| **EXPENSES** | |
| Purchased/Contracted services | 12,246 |
| Supplies | 14,930 |
| Depreciation & amortization | 8,596 |
| **Total operating expenses** | 35,772 |
| | |
| **Operating income (loss)** | (17,460) |
| | |
| **Nonoperating revenues (expenses):** | |
| Interest earned | 1 |
| **Total non-operating revenues (expenses)** | 1 |
| | |
| **Net income** | (17,459) |
| | |
| **Net position - beginning** | 198,740 |
| | |
| **Net position - ending** | $ 181,281 |

**NEWTON COUNTY, GEORGIA**
**Nonmajor Enterprise Fund**
**Statement of Cash Flows**
**Proprietary Funds**
**For the Fiscal Year Ended June 30, 2015**

| | Gaither's Plantation Fund |
|---|---|
| **Cash flows from operating activities:** | |
| Cash received from customers | $ 25,812 |
| Cash payments for goods and services | (28,173) |
| **Net cash provided by (used for) operating activities** | (2,361) |
| **Cash flows from non-capital financing:** | |
| Repayment of loan other funds | (967) |
| **Net cash from non-capital financing activities** | (967) |
| **Cash flows from investing activities:** | |
| Interest received | 1 |
| **Net cash provided by investing activities** | 1 |
| **Net increase (decrease) in cash & cash equivalents** | (3,327) |
| **Cash & cash equivalents, beginning** | 3,619 |
| **Cash & cash equivalents, ending** | $ 292 |
| **Cash flows from operating activities:** | |
| Operating income (loss) | $ (17,460) |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation and amortization | 8,592 |
| Changes in operating assets and liabilities: | |
| Accounts receivable | 6,000 |
| Customer deposits | 1,500 |
| Accounts payable | (993) |
| **Net cash provided by (used for) operating activities** | $ (2,361) |

# Fiduciary Funds

**NEWTON COUNTY, GEORGIA**
**Agency Funds**
**Combining Statement of Changes in Assets and Liabilities**
**For the Fiscal Year Ended June 30, 2015**

| | Balance June 30, 2014 | Additions | Deductions | Balance June 30, 2015 |
|---|---|---|---|---|
| **TAX COMMISSIONER** | | | | |
| Assets | | | | |
| Cash | $ 197,758 | $ 91,624,010 | $ 91,607,725 | $ 214,043 |
| Receivables | 3,392,165 | 61,808 | 1,141,129 | 2,312,844 |
| | $ 3,589,923 | $ 91,685,818 | $ 92,748,854 | $ 2,526,887 |
| Liabilities | | | | |
| Due to other governments | $ - | $ 44,159,899 | $ 44,159,899 | $ - |
| Due to other funds | - | 23,412,450 | 23,412,450 | - |
| Due to others | 3,589,923 | 88,796,335 | 89,859,371 | 2,526,887 |
| | $ 3,589,923 | $ 156,368,684 | $ 157,431,720 | $ 2,526,887 |
| **SHERIFF** | | | | |
| Assets | | | | |
| Cash | $ 132,620 | $ 1,066,345 | $ 1,064,682 | $ 134,283 |
| Liabilities | | | | |
| Due to others | $ 132,620 | $ 1,066,345 | $ 1,064,682 | $ 134,283 |
| **CLERK OF SUPERIOR COURT** | | | | |
| Assets | | | | |
| Cash | $ 583,544 | $ 3,679,676 | $ 3,338,380 | $ 924,840 |
| | $ 583,544 | $ 3,679,676 | $ 3,338,380 | $ 924,840 |
| Liabilities | | | | |
| Due to others | $ 583,544 | $ 3,679,676 | $ 3,338,380 | $ 924,840 |
| | $ 583,544 | $ 3,679,676 | $ 3,338,380 | $ 924,840 |
| **PROBATE COURT** | | | | |
| Assets | | | | |
| Cash | $ 12,287 | $ 1,154,475 | $ 1,154,478 | $ 12,284 |
| | $ 12,287 | $ 1,154,475 | $ 1,154,478 | $ 12,284 |
| Liabilities | | | | |
| Due to other funds | $ - | $ 964,460 | $ 964,460 | $ - |
| Due to other governments | - | 190,018 | 190,018 | - |
| Due to others | 12,287 | (3) | - | 12,284 |
| | $ 12,287 | $ 1,154,475 | $ 1,154,478 | $ 12,284 |

**NEWTON COUNTY, GEORGIA**
**Agency Funds**
**Combining Statement of Changes in Assets and Liabilities**
**For the Fiscal Year Ended June 30, 2015**

| | Balance June 30, 2014 | Additions | Deductions | Balance June 30, 2015 |
|---|---|---|---|---|
| **MAGISTRATE COURT** | | | | |
| Assets | | | | |
| Cash | $ 111,816 | $ 929,853 | $ 919,680 | $ 121,989 |
| | $ 111,816 | $ 929,853 | $ 919,680 | $ 121,989 |
| Liabilities | | | | |
| Due to other funds | $ - | $ 194,478 | $ 194,478 | $ - |
| Due to other governments | - | 116,242 | 116,242 | - |
| Due to others | 111,816 | 619,133 | 608,960 | 121,989 |
| | $ 111,816 | $ 929,853 | $ 919,680 | $ 121,989 |
| **JUVENILE COURT** | | | | |
| Assets | | | | |
| Cash | $ (388) | $ 27,660 | $ 29,246 | $ (1,974) |
| | $ (388) | $ 27,660 | $ 29,246 | $ (1,974) |
| Liabilities | | | | |
| Due to other funds | $ - | $ 18,802 | $ 18,802 | $ - |
| Due to others | (388) | 4,701 | 6,287 | (1,974) |
| | $ (388) | $ 23,503 | $ 25,089 | $ (1,974) |
| **TOTALS** | | | | |
| Assets | | | | |
| Cash | $ 1,037,637 | $ 73,891,829 | $ 73,524,001 | $ 1,405,465 |
| Receivables | 3,392,165 | 61,808 | 1,141,129 | 2,312,844 |
| | $ 4,429,802 | $ 73,953,637 | $ 74,665,130 | $ 3,718,309 |
| Liabilities | | | | |
| Due to other funds | $ - | $ 24,590,190 | $ 24,590,190 | $ - |
| Due to other governments | - | 44,466,159 | 44,466,159 | - |
| Due to others | 4,429,802 | 94,166,187 | 94,877,680 | 3,718,309 |
| | $ 4,429,802 | $ 163,222,536 | $ 163,934,029 | $ 3,718,309 |

# COMPLIANCE SECTION

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Commissioners of
Newton County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Newton County, Georgia, as of and for the year ended June 30, 2015, 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 December 31, 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 of the financial statements, we considered Newton County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses of significant deficiencies may exist that were not 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. 2014-2, 2014-3, and 2015-1

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.

**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 December 31, 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.

Madison, Georgia
December 31, 2015

Greenwell, Dayton & Co

Treadwell, Tamplin & Co.
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**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, 2015. 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, 2015.

**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
December 31, 2015

Treadwell, Daughtie & Co

**NEWTON COUNTY, GEORGIA**
**Schedule of Expenditures of Federal Awards**
**For the Fiscal Year Ended June 30, 2015**

| 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 | $ 18,505 |
| Special Programs for the Aging Title III, Part C | 93.045 | SFY 2014 | 94,952 |
| Nutrition Services Incentive Program | 93.053 | SFY 2014 | 22,040 |
| Total US Dept. of Health and Human Services-Cluster | | | 135,497 |
| *Direct:* | | | |
| Substance Abuse and Mental Health ServicesProjects of Regional and National Significance | 93.243 | 14TI25489A | 174,377 |
| *Passed through:* | | | |
| *Georgia Department of Human Resources - provided to subrecipients* | | | |
| Community Services Block Grant | 93.569 | 42700-0400000021714 | 28,927 |
| Community Services Block Grant | | 42700-040-0000035399 | 65,803 |
| | | | 94,730 |
| *Georgia Department of Human Resources* | | | |
| Promoting Safe and Stable Families | 93.556 | 42700-040C-PSSF-15-004 | 18,938 |
| | | 42700-040C-25593 | 11,661 |
| | | | 30,599 |
| Social Services Block Grant | 93.667 | SFY15 | 6,659 |
| *Northeast Georgia Regional Commission - provided to subrecipients* | | | |
| National Family Caregiver Support, Title III, Part E | 93.052 | SFY 2015 | 3,333 |
| Viewpoint Health Substance Abuse and Mental Health ServicesProjects of Regional and National Significance | 93.243 | 14TI25929A | 27,931 |
| Total Passed through US Dept. of Health and Human Services | | | 163,252 |
| **Total US Dept. of Health and Human Services** | | | 473,126 |
| **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 | 139,131 |
| **Total US Dept. of Housing and Urban Development** | | | $ 139,131 |

**NEWTON COUNTY, GEORGIA**
**Schedule of Expenditures of Federal Awards**
**For the Fiscal Year Ended June 30, 2015**

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Federal/State Pass-through Grant Number | Expenditures |
|---|---|---|---|
| **US Dept. of Justice -** | | | |
| *JAG Program Cluster* | | | |
| *Edward Byrne Memorial Justice Assistance* | | | |
| Edward Byrne Grant | 16.738 | 2013-DJ-BX-0478 | $ 24,201 |
| Edward Byrne Grant | 16.738 | 2014-DJ-BX-0933 | 19,479 |
| Total US Dept. of Justice - JAG Program Cluster | | | 43,680 |
| *Direct:* | | | |
| Public Safety Partnership & Community Policing Grant | | | |
| Community Policing Grant | 16.710 | 2012-UM-WX-0058 | 222,908 |
| | | 2010-UM-WX-0088 | 15,751 |
| | | | 238,659 |
| Drug Court Discretionary Grant Program | 16.585 | 2014-DC-BX-0082 | 39,901 |
| State Criminal Alien Assistance Program | 16.606 | 2011-AP-BX-0151 | 4,690 |
| | | 2012-AP-BX-0526 | 1,971 |
| | | 2013-AP-BX-0422 | 9,930 |
| | | 2014-AP-BX-0388 | 2,923 |
| | | | 19,514 |
| Bulletproof Vest Partnership Program | 16.607 | FYE 2013-2014 | 18,606 |
| Support for Adam Walsh Act Implementation Grant | 16.750 | 2012 SORNA | 17,480 |
| Total Direct: | | | 334,160 |
| *Office of the Governor Criminal Justice Coordinating Council* | | | |
| Juvenile Accountablity | 16.523 | 2011-JB-FX-4044 SubGrant # JJ-15-002 | 38,453 |
| *Office of Justice Programs* | | | |
| Governor's Office of Children & Families | | | |
| ERC Expansion | 16.540 | SC12-03-007 | 63,654 |
| Total Passed Through: | | | 102,107 |
| **Total US Dept. of Justice** | | | 479,947 |
| **US Department of Homeland Security** | | | |
| *Federal Emergency Management Agency* | | | |
| Passed through Georgia Planning & Budget | | | |
| Emergency Management Performance Grant | 97.036 | OEM14-109 | 30,487 |
| **Total US Department of Homeland Security** | | | $ 30,487 |

**NEWTON COUNTY, GEORGIA**
**Schedule of Expenditures of Federal Awards**
**For the Fiscal Year Ended June 30, 2015**

| Federal Grantor/ Pass-through Grantor/ Program Title | Federal CFDA Number | Federal/State Pass-through Grant Number | Expenditures |
|---|---|---|---|
| **US Department of Transportation** | | | |
| *Passed through:* | | | |
| *Georgia Department of Transportation* | | | |
| Highway Planning and Construction | 20.205 | PI#0008186 | $ 8,200 |
| **Total US Department of Transportation** | | | 8,200 |
| **Total Federal Assistance** | | | $ 1,130,891 |

**NEWTON COUNTY, GEORGIA**
**Notes to Schedule of Expenditures of Federal Awards**
**June 30, 2015**

## 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, 2015**

**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 |
| 93.243 | Substance Abuse and Mental Health ServicesProjects of Regional and National Significance |

| | |
|---|---|
| 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, 2015**

**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 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 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. |

**NEWTON COUNTY, GEORGIA**
**Schedule of Findings and Questioned Costs**
**June 30, 2015**

**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. |

**2015-1**

| | |
|---|---|
| Statement of Condition: | Sherriff's office had several immaterial incidences of payments made from special revenue funds that were not in compliance with the required use of the funds or did not follow proper documentation procedures. Included were checks written without documentation, signed blank checks, checks written to Cash and checks written for purchases not related to the intent or purpose of the special revenue fund. |
| Criteria: | According to governmental accounting regulations regarding special revenue funds, as well as IRS regulations for donated funds, funding sources should only be used for the intended allowed purpose and should also follow proper documentation and purchasing procedures, as provided in the County's policies. |
| Effect: | The funds were not spent on the intended purpose of the special revenue funds and purchasing policies and controls were not followed |
| Cause: | Controls were not in place to ensure that the funds were properly documented and spent on the intended purpose of the fund. |
| Recommendation: | We recommend the County provide additional training and understanding to provide the skills to set up proper controls to review, prevent and detect potential misuse. |
| 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, 2015**

**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, 2015**

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, 2015**

**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 | $ 104,370 | $ 17,385,230 | $ 4,564,915 | $ 2,625,647 | $ 7,190,562 |
| Detention Center | 3,000,000 | - | 3,000,000 | 1,403,282 | 793,105 | 2,196,387 |
| Administrative Building | 5,000,000 | - | 5,000,000 | 3,043,846 | 615,393 | 3,659,239 |
| Judicial Expansion | 7,000,000 | - | 7,000,000 | 281,358 | 139,784 | 421,142 |
| Recreation: | | | | | | |
| Parks & Facilities | 1,000,000 | 35,485 | 1,035,485 | 209,588 | 57,955 | 267,543 |
| Miracle Field *** | 1,500,000 | 1,119,346 | 2,619,346 | 1,006,044 | 1,042,151 | 2,048,195 |
| District 4 Recreation | 500,000 | - | 500,000 | 12,717 | 77,830 | 90,547 |
| District 4 Multi-Use | 545,000 | - | 545,000 | 212,055 | 168,828 | 380,883 |
| Cemetery Land | 55,000 | - | 55,000 | - | - | - |
| Animal Control Facility | 100,000 | - | 100,000 | - | - | - |
| Juvenile Court | 500,000 | - | 500,000 | - | 259 | 259 |
| Historic Jail | 1,200,000 | - | 1,200,000 | - | - | - |
| Agricultural Center | 1,100,000 | - | 1,100,000 | - | 600 | 600 |
| Fire Station #8 | 1,100,000 | - | 1,100,000 | - | 110 | 110 |
| Emergency Room Expar | 4,000,000 | - | 4,000,000 | - | - | - |
| Landfill | 500,000 | - | 500,000 | - | - | - |
| Public Works | 500,000 | 337,492 | 837,492 | 502,817 | 101,413 | 604,230 |
| Fleet Replacement | 2,500,000 | 1,250,000 | 3,750,000 | 2,360,553 | 201,351 | 2,561,904 |
| Fire Services Equipment | 100,000 | - | 100,000 | - | - | - |
| City Projects- | | | | | | |
| Oxford | 1,233,050 | - | 1,233,050 | 688,919 | 233,138 | 922,057 |
| Porterdale | 830,000 | - | 830,000 | 463,572 | 156,878 | 620,450 |
| Newborn | 336,840 | - | 336,840 | 186,716 | 63,187 | 249,903 |
| Covington | 7,466,620 | - | 7,466,620 | 4,172,145 | 1,411,898 | 5,584,043 |
| Mansfield | 252,630 | - | 252,630 | 141,645 | 47,935 | 189,580 |
| | | | | | $ 7,737,462 | |

*** Miracle Field Other funding sources includes loan proceeds and contributions. Expenditures include both construction costs and loan principal repayments.

**NEWTON COUNTY, GEORGIA**
**Schedule of Projects Constructed**
**With Special Sales Tax Proceeds**
**For the Fiscal Year Ended June 30, 2015**

**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 | $ 17,477,457 | $ 1,329,513 | $ 18,806,970 |
| 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 | 6,449,953 | 9,343 | 6,459,296 |
| 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 | 475,844 | 250 | 476,094 |
| Land Acquisition | 1,000,000 | - | 1,000,000 | 1,264,089 | - | 1,264,089 |
| City Projects- | | | | | | |
| Oxford | 605,168 | - | 605,168 | 605,168 | - | 605,168 |
| Porterdale | 909,736 | - | 909,736 | 909,736 | - | 909,736 |
| Newborn | 166,325 | - | 166,325 | 166,325 | - | 166,325 |
| Covington | 3,693,385 | - | 3,693,385 | 3,693,385 | - | 3,693,385 |
| Mansfield | 125,384 | - | 125,384 | 125,384 | - | 125,384 |
| Administration | 3,610,002 | - | 3,610,002 | 3,035,043 | 2,563 | 3,037,606 |
| | | | | | $ 1,341,669 | |

**NEWTON COUNTY, GEORGIA**
**Schedule of State Contractual Assistance**
**For the Fiscal Year Ended June 30, 2015**

| Program Title | Contract Number | Receipt Recognized Fiscal Year | Expend-itures | Amount Due to/from State |
|---|---|---|---|---|
| **Family Connection** | 427-93-13130009899 | $ 56,750 | $ 45,500 | $ - |
| **Community Services Block Grant** | | | | |
| Contract for FY Oct 13-Sept 14 | 42700-040-0000021714 | 28,927 | 28,927 | - |
| Contract for FY Oct 14-Sept 15 | 42700-040-0000035399 | 65,443 | 65,803 | 360 |
| **Total State Assistance** | | $ 151,120 | $ 140,230 | $ 360 |