NEWTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared By:
Nicole Cross,
Finance Director

INTRODUCTORY SECTION

NEWTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
Table of Contents	i - iv
Letter of Transmittal	v - viii
Organizational Chart	ix
List of Principal Officials	x
FINANCIAL SECTION	
Independent Auditor's Report	1 – 4
Management's Discussion and Analysis	5 – 17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18 and 19
Statement of Activities	20 and 21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22 and 23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	26 and 27
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	29

NEWTON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS (CONTINUED)

	Page Number
FINANCIAL SECTION (Continued)	
Basic Financial Statements (Continued):	
Fund Financial Statements (Continued):	
Statement of Cash Flows – Proprietary Funds	**30 and 31**
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	**32**
Notes to Financial Statements	**33 - 86**
Required Supplementary Information:	
Schedule of Changes in the County's Net Pension Liability	**87 and 88**
Schedule of County Contributions	**89**
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	**90 – 92**
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	**93 – 95**
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Funds	**96 – 102**
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	**103**
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2005 Issue	**104**
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2011 Issue	**105**
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2017 Issue	**106**
Agency Funds:	
Combining Statement of Assets and Liabilities – Agency Funds	**107**
Combining Statement of Changes in Assets and Liabilities – Agency Funds	**108 – 110**

TABLE OF CONTENTS (CONTINUED)

Page Number

STATISTICAL SECTION

Net Position by Component – Last Ten Fiscal Years 111
Changes in Net Position – Last Ten Fiscal Years ..... 112 and 113
Fund Balances, Governmental Funds – Last Ten Fiscal Years 114
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years ..... 115 and 116
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years 117
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years 118
Principal Property Taxpayers – Current Year and Nine Years Ago 119
Property Tax Levies and Collections – Last Ten Fiscal Years 120
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 121
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years 122
Legal Debt Margin Information – Last Ten Fiscal Years 123
Demographic and Economic Statistics – Last Ten Fiscal Years 124
Principal Employers – Current Year and Ten Years Ago 125
Full-Time Equivalent County Government Employees by Function – Last Ten Fiscal Years 126
Operating Indicators by Function – Last Ten Calendar Years 127
Capital Asset Statistics by Function – Last Ten Fiscal Years 128

TABLE OF CONTENTS (CONTINUED)

	Page Number
COMPLIANCE SECTION	
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*	**129 – 131**
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	**132 – 134**
Schedule of Expenditures of Federal Awards	**135 – 140**
Notes to Schedule of Expenditures of Federal Awards	**141**
Schedule of Findings and Questioned Costs	**142 and 143**
Summary Schedule of Prior Year Findings	**144 and 145**

NEWTON COUNTY

Board of Commissioners

Marcello Banes
Chairman

Stan Edwards
District 1

Lanier Sims
District 2

Nancy P. Schulz
District 3

J.C. Henderson
District 4

Ronnie Cowan
District 5

Lloyd Kerr
County Manager

Jackie Smith
County Clerk

December 28, 2018

To the Honorable Chairman, Distinguished Members of the Board of Commissioners,
and the Citizens of Newton County, Georgia:

We are honored to present Newton County's Comprehensive Annual Financial Report. The report is as of June 30, 2018. Responsibility for both the accuracy of the data and the presentation, including all disclosures, rests with the management of Newton County. To provide a reasonable basis for making these representations, Newton County has established a comprehensive internal control framework that is designed both to protect the government's assets form loss, theft, or misuse and to complete sufficient reliable information for the preparation of the County's financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds, account groups and component units of Newton County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities has been included.

Newton County's financial statements have been audited by Mauldin & Jenkins, Certified Public Accountants, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. Our auditors have issued an unqualified opinion of Newton County's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of the report.

The independent audit of the financial statements of Newton County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and

compliance with legal requirements; with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in a separate Single Audit report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Newton County was created in 1821 from parts of Henry, Jasper, and Walton Counties. Georgia's 53rd county was renamed for Revolutionary War hero, John Newton. There are six cities located either partially or entirely within the County: Mansfield, Newborn, Oxford, Porterdale, Social Circle, and Covington, the County Seat. Newton County, Georgia is located on the I-20 corridor, approximately 40 miles southeast of Atlanta and has a land area of 276.4 square miles and serves a population of approximately 106,999.

The governing authority of Newton County is a Board of Commissioners consisting of five members elected by district and a Chairman elected at large. The commissioners serve on a part-time basis and are elected to staggered terms of four years. The commissioners are responsible, among other things, for passing ordinances, adopting the budget, establishing tax rates, appointing committees, appointing the County's Attorney and Clerk, and hiring the County's Manager. The County Manager is responsible for the administration of all the affairs of the County over which he has jurisdiction, including hiring heads of various departments.

Newton County provides a full range of services, including law enforcement and a detention facility; fire protection in incorporated and unincorporated areas; construction and maintenance of buildings, parks, streets, highways, bridges, and other associated infrastructure; voter registration and election; court systems; tax assessment and tax collection; planning, zoning and development; building inspections; geographic information system (GIS); Cornish Creek Reservoir water system; solid waste management and recycling; animal control; emergency management; parks and recreational activities; 911 emergency communications; and general administrative and support services.

This report includes all funds of the county as well as those component units that have been determined to meet the criteria for inclusion in the County's reporting entity. Newton County Water & Sewerage Authority, Newton County Board of Health, Newton County Recreation Commission, Newton County Industrial Development Authority, and Newton County Library System, are all included as an integral part of Newton County's financial statements. Additional information on all five of these legally separate entities can be found in the Notes to Financial Statements.

The annual budget serves as the foundation for Newton County's financial planning and control. All departments and agencies of Newton County are required to submit requests for appropriation to the Finance Director and County Manager in February each year. These requests are then used as the starting point for developing a proposed budget. The Finance Director and County Manager then work in collaboration with the Chairman to finalize the proposed budget by April. The County Manager will then present the proposed

budget to the Board of Commissioners for review during the month of May. The Board of Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by June 30th each year. The budget is prepared by fund, function, and department. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval by the Board of Commissioners.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the Basic Financial Statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Local economy

Newton County is one of 159 counties in Georgia, and is part of the Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area (MSA). Newton County is strategically located along the I-20 corridor just 40 miles southeast of Atlanta. This proximity to the Atlanta metropolitan area saw Newton County listed as one of the fastest growing communities in Georgia as well as the nation in recent years.

The County was not immune to the multi-year economic downturn (from 2008 thru 2013 primarily). Property values during this recession saw a thirty-seven percent decrease. Newton County has experienced a slow but steadily improving, economic recovery from this recession. The County is seeing renewed interest in development as the growth rate has exceeded 1.5% per year for the last four years in a row.

In 2008 leaders within the Newton County Commission, the City of Covington, the Newton County Board of Education, the Newton County Water and Sewage Authority and the municipalities of Oxford and Porterdale identified economic development as one of their most important issues. The comprehensive approach to growing the Newton County economy uses a model that is sustainable, uses traditional and non-traditional approaches and preserves the natural resources. There are two major sites on the county's east side, the Heart of Georgia "megasite" near Social Circle, and the sprawling Stanton Springs site, represent the best locations for development in the state. The largest industrial development revenue bond in the history of the State of Georgia was issued for the development of the $42 billion Facebook data center in Stanton Springs. The State of Georgia recently recognized Newton County Economic Development and the Joint Development Authority with the "Deal of the Year" award. Interest in Newton County as a major manufacturing and biotechnical industry site continues to grow as Shire Pharmaceutical and Facebook expand their footprint and presence.

Long Term Financial Planning and Major Initiatives

The County will continue to focus on maintaining existing infrastructure, retaining and attracting business while managing fiscal resources responsibly so that all citizens can maintain the quality of life enjoyed in Newton County. Major initiatives include increasing water production to 25 million gallons per day, constructing new fire stations and animal control facility, expansion of the senior services

center and replacing radios and communications equipment for the 911 center and for public safety personnel, and improving our local parks.

Increased emphasis is being placed on building our fund balances while practicing good stewardship of public funds. Efficient and effective utilization of finite resources is forcing accountability at all levels and resulting in streamlining of processes and procedures.

Internal Controls

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding : 1)the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

Cash Management Policies and Practices

Newton County has contracted with Synovus to provide banking services. The County's policy is to minimize risk, maintain a competitive yield, and keep investments in local banks whenever possible. All operating funds of the County are carried in interest-bearing Public Funds Interest Checking Accounts. Newton County also participates in Georgia Fund One, a state local government investment pool, which is managed by the Office of Treasury and Fiscal Services. To eliminate credit and market risks, all deposits of the County are insured by federal depository insurance or collateralized at 110% of market value. Newton County maintains an Aa3 credit rating from Moody's Investor Services.

Acknowledgements

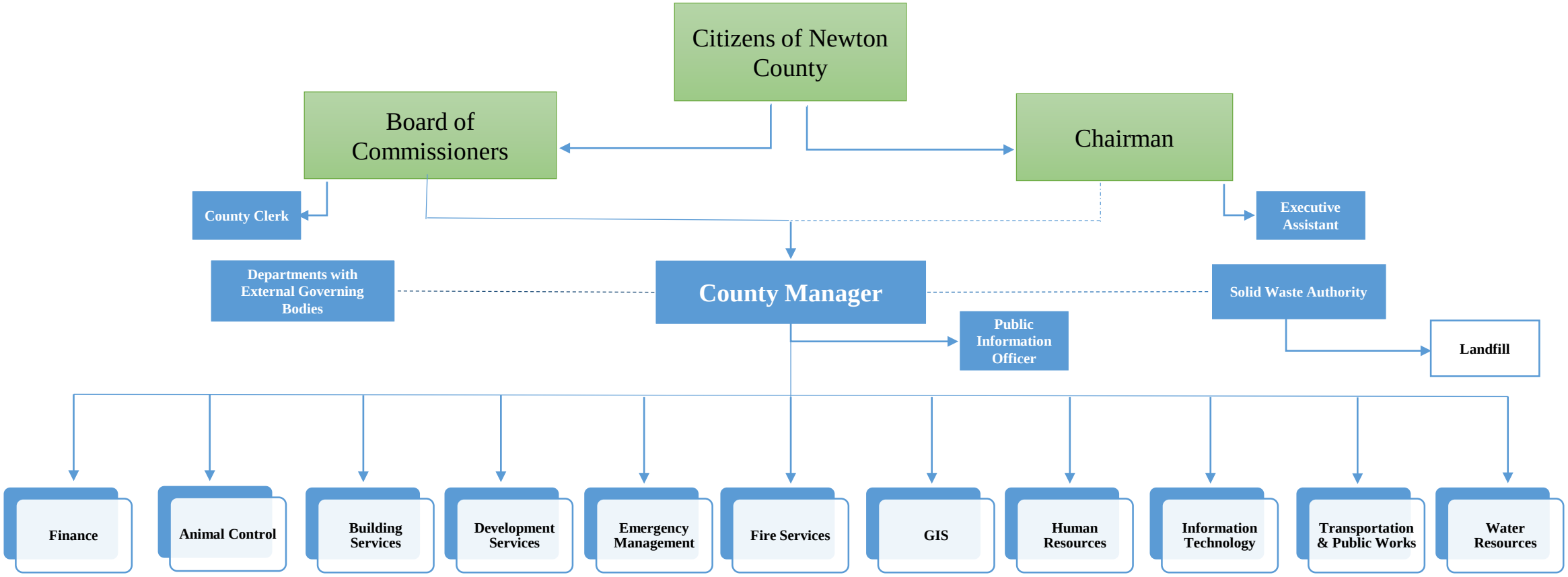
The preparation of the Comprehensive Annual Report could not have been accomplished without the dedication of the staff in the Finance Department of Newton County and without the professional guidance and assistance of Mauldin & Jenkins CPAs, LLC. We wish to thank all County departments for their cooperation and their willingness to provide the data necessary to prepare this report. Finally, we would like to thank the Board of Commissioners for their unfailing support and leadership in maintaining the highest standards of professionalism in management of Newton County's finances.

Respectfully submitted,

Nicole Cross
Finance Director

Lloyd Kerr
County Manager

Newton County Operations



NEWTON COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018

Elected Officials

Chairman	**Marcello Banes**
District 1	**Stan Edwards**
District 2	**Lanier Sims**
District 3	**Nancy Schulz**
District 4	**J.C. Henderson**
District 5	**Ronnie Cowan**
Tax Commissioner	**Barbara Dingler**
Sheriff	**Ezell Brown**
Clerk of Superior Court	**Linda Hays**
Superior Court Judge	**John M. Ott**
Superior Court Judge	**Horace J. Johnson, Jr.**
Superior Court Judge	**Samuel D. Ozburn**
Superior Court Judge	**Eugene M. Benton**
Superior Court Judge	**W. Kendall Wynne, Jr.**
Probate Court Judge	**Melanie Bell**
Magistrate Court Judge	**Melanie Bell**
District Attorney	**Layla Zon**
Coroner	**Tommy Davis**

Principal Officials

County Manager	**Lloyd Kerr**
County Clerk	**Jackie Smith**
County Attorney	**Jarrard & Davis, LLP**

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Newton County, Georgia
Covington, 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** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Newton County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Newton County Department of Public Health, the Newton County Industrial Development Authority, the Newton County Library System, or the Newton County Recreation Commission, which represent 0.40%, 1.98%, 4.29%, and 0.52%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Newton County Department of Public Health, the Newton County Industrial Development Authority, the Newton County Library System, and the Newton County Recreation Commission, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Newton County, Georgia, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 17), Schedule of Changes in the County's Net Pension Liability (on pages 87 and 88), and the Schedule of County Contributions (on page 89), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Newton County, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of Newton County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Newton County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2018

NEWTON COUNTY, GEORGIA
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Our discussion and analysis of Newton County's financial performance provides a narrative overview of the County's financial activities for the fiscal year that ended June 30, 2018. The analysis provides summary financial information for Newton County as a whole and should be read in conjunction with the government's financial statements to fully understand Newton County's performance. We encourage readers to consider the information presented here in conjunction with the financial statements and accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Newton County's primary government assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $227,669,601 (net position) at the close of the year, June 30, 2018. Of this amount $198,606,669 is governmental activities and $29,062,932 is business-type activities.
- The County's total net position increased by $3,758,033 from governmental activities and decreased by $7,279,598 from business-type activities.
- At June 30, 2018, the combined revenue total for the County is $102,559,008, a 15.7% increase from 2017. Of the combined, total governmental activities is $87,636,091 and business-type activities is $14,922,917.
- At June 30, 2018, the combined expense total for the County is $106,080,573, a 10.8% increase from 2017. Of the combined, total governmental activities is $93,289,757 and business-type activities is $12,790,816.
- As of the close of June 30, 2018, the County's governmental funds reported combined ending fund balance of $37,801,258, a decrease of $6,491,060 from 2017. The unassigned fund balance for various governmental funds is $10,791,997.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $11,521,937 or eighteen (18%) of general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. A review of annual increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving (an increase) or deteriorating (a decrease). The statement of activities presents the revenues and expenses of the County. The difference between these is the change in net position for the year.

Both of the government-wide financial statements identify the various functions of Newton County that are principally supported by taxes and other intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Newton County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activities of Newton County are the Water Fund, Solid Waste Fund and the Gaither's Fund.

The government-wide financial statements include not only Newton County, Georgia itself (known as the primary government), but also the Newton County Water & Sewerage Authority, Newton County Board of Health, Newton County Recreation Commission, Newton County Industrial Development Authority, and Newton County Library System. These are legally separate entities that are component units of the county due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18 – 21 of this report.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

At June 30, 2018, Newton County maintains twenty-two governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, impact fee fund, 2017 SPLOST fund, 2011 SPLOST fund, and capital improvement fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Newton County adopts an annual appropriated budget for its general, special revenue, one capital project fund and debt service funds. Project length budgets are adopted for the capital projects funds. Annual operating budgets are prepared for each enterprise and internal service fund for planning control and cost allocation. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and debt service funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22 – 24.

Proprietary Funds
The County maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Newton County maintains three enterprise funds: The Water Fund, Solid Waste Fund and Gaither's Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the self-insured workers' compensation programs. The workers' compensation program is administered through the Association of County Commissioners of Georgia (ACCG). The revenue sources for these funds are made through transfers from the General Fund.

The basic proprietary fund financial statements can be found on pages 28 – 31 of this report.

Fiduciary Funds
Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Newton County maintains six fiduciary funds called agency funds for Tax Commissioner, Clerk of Court, Probate Court, Magistrate Court, Sheriff, and Juvenile Court.

The basic fiduciary fund statement of fiduciary assets and liabilities can be found on page 32 of this report.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 – 86 of this report.

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's pension plans on pages 87 – 89. Combining and individual fund statements and schedules can be found on pages 90 – 95, and Schedules of Projects Constructed with Special Purpose Local Option Sales Tax can be found on pages 104 – 106 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Newton County, assets exceeded liabilities by $227,669,601 at the close of the most recent fiscal year. This is a decrease of $3,521,565 or 1.52% from fiscal year 2017.

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

Newton County's Net Position

	Governmental Activities		Business-type Activities		Total		
	2018	2017	**2018**	2017	**2018**	2017	**Variance**
Current and other assets	**$ 57,053,158**	$ 56,220,985	**$ 26,784,786**	$ 14,161,387	**$ 83,837,944**	$ 70,382,372	$ 13,455,572
Capital assets	**172,852,938**	180,384,645	**56,997,739**	59,377,969	**229,850,677**	239,762,614	(9,911,937)
Total assets	**229,906,096**	236,605,630	**83,782,525**	73,539,356	**313,688,621**	310,144,986	3,543,635
Deferred outflows of resources	**932**	225,086	**184**	32,246	**1,116**	257,332	(256,216)
Current liabilities	**6,423,475**	4,933,944	**1,048,854**	848,929	**7,472,329**	5,782,873	1,689,456
Long-term liabilities	**24,788,375**	37,048,136	**53,335,374**	36,123,541	**78,123,749**	73,171,677	4,952,072
Total liabilities	**31,211,850**	41,982,080	**54,384,228**	36,972,470	**85,596,078**	78,954,550	6,641,528
Deferred inflows of resources	**88,509**	-	**335,549**	256,602	**424,058**	256,602	167,456
Net position:							
Net investment in capital assets	**157,345,105**	167,948,787	**27,142,372**	38,813,906	**184,487,477**	206,762,693	(22,275,216)
Restricted	**26,094,471**	31,679,317	**2,979,055**	6,485,218	**29,073,526**	38,164,535	(9,091,009)
Unrestricted	**15,167,093**	(4,779,468)	**(1,058,495)**	(8,956,594)	**14,108,598**	(13,736,062)	27,844,660
Total net position	**$ 198,606,669**	$ 194,848,636	**$ 29,062,932**	$ 36,342,530	**$ 227,669,601**	$ 231,191,166	$ (3,521,565)

The largest component of the County's net position, $184,487,777 (81%), at June 30, 2018 reflects its investments in capital assets (e.g. land, buildings, machinery and equipment, and roads), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate those liabilities.

The next component of the County's net position consists of restricted net position, $29,073,526 (12.8%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $14,108,598 (6.2%), which may be used to meet the County's ongoing obligations to citizens and creditors.

Changes in Net Position

During fiscal year 2018, Newton County's, on an entity-wide basis, net position declined $3,521,565. The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2017 and 2018.

Newton County's Changes in Net Position

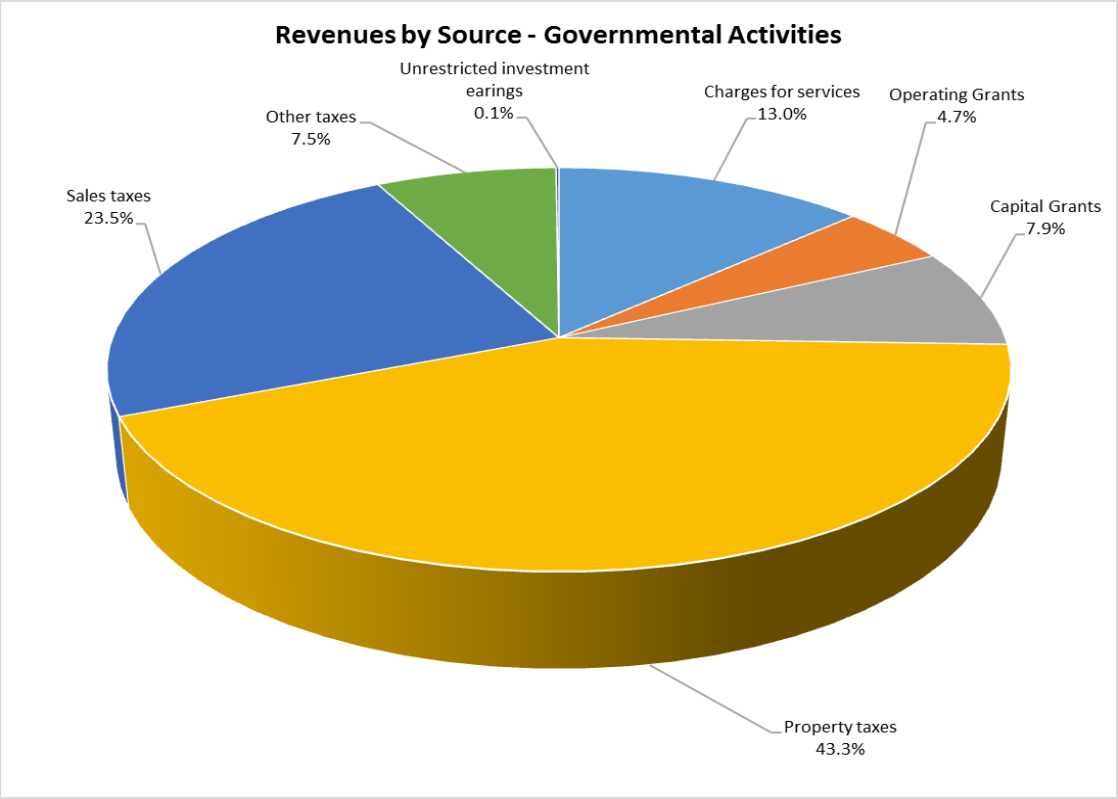
	Governmental Activities		Business-type Activities		Total		Variance
	2018	2017	**2018**	2017	**2018**	2017	**Pos. (Neg.)**
Program revenues:							
Charges for services	**$ 11,400,403**	$ 11,131,157	**$ 14,818,542**	$ 12,355,960	**$ 26,218,945**	$ 23,487,117	$ 2,731,828
Grants and contributions:							
Operating	**4,090,908**	5,756,792	**-**	-	**4,090,908**	5,756,792	(1,665,884)
Capital	**6,889,967**	740,657	**-**	-	**6,889,967**	740,657	6,149,310
General revenues:							
Property taxes	**37,935,899**	33,154,213	**-**	-	**37,935,899**	33,154,213	4,781,686
Sales taxes	**20,620,046**	19,254,415	**-**	-	**20,620,046**	19,254,415	1,365,631
Other taxes	**6,590,717**	6,174,406	**-**	-	**6,590,717**	6,174,406	416,311
Unrestricted investment earnings	**108,151**	65,710	**104,375**	12,602	**212,526**	78,312	134,214
Total revenues	**87,636,091**	76,277,350	**14,922,917**	12,368,562	**102,559,008**	88,645,912	13,913,096
Expenses, by function:							
General government	**24,254,115**	17,980,423	**-**	-	**24,254,115**	17,980,423	6,273,692
Judicial	**6,638,406**	4,643,627	**-**	-	**6,638,406**	4,643,627	1,994,779
Public safety	**37,335,611**	34,578,844	**-**	-	**37,335,611**	34,578,844	2,756,767
Public works	**18,349,291**	21,097,126	**-**	-	**18,349,291**	21,097,126	(2,747,835)
Health and welfare	**1,250,959**	1,212,755	**-**	-	**1,250,959**	1,212,755	38,204
Culture and recreation	**3,483,713**	3,322,222	**-**	-	**3,483,713**	3,322,222	161,491
Housing and development	**1,364,862**	1,037,357	**-**	-	**1,364,862**	1,037,357	327,505
Interest on long-term debt	**612,800**	478,930	**-**	-	**612,800**	478,930	133,870
Water	**-**	-	**6,396,264**	6,745,310	**6,396,264**	6,745,310	(349,046)
Solid Waste	**-**	-	**4,696,455**	4,469,402	**4,696,455**	4,469,402	227,053
Gaither's Plantation	**-**	-	**237,007**	147,157	**237,007**	147,157	89,850
Total expenses	**93,289,757**	84,351,284	**11,329,726**	11,361,869	**104,619,483**	95,713,153	8,906,330
Change in net position before transfers and loss on disposal	**(5,653,666)**	(8,073,934)	**3,593,191**	1,006,693	**(2,060,475)**	(7,067,241)	5,006,766
Transfers	**9,411,699**	(1,180,194)	**(9,411,699)**	1,180,194	**-**	-	-
Loss on disposal	**-**	-	**(1,461,090)**	-	**(1,461,090)**	-	(1,461,090)
Increase (decrease) in net position	**3,758,033**	(9,254,128)	**(7,279,598)**	2,186,887	**(3,521,565)**	(7,067,241)	3,545,676
Net position, beginning of year, as restated	**194,848,636**	204,102,764	**36,342,530**	34,155,643	**231,191,166**	238,258,407	(7,067,241)
Net position, end of year	**$ 198,606,669**	$ 194,848,636	**$ 29,062,932**	$ 36,342,530	**$ 227,669,601**	$ 231,191,166	$ (3,521,565)

Governmental Activities

Governmental activities increased the County's net position by $3,758,033.

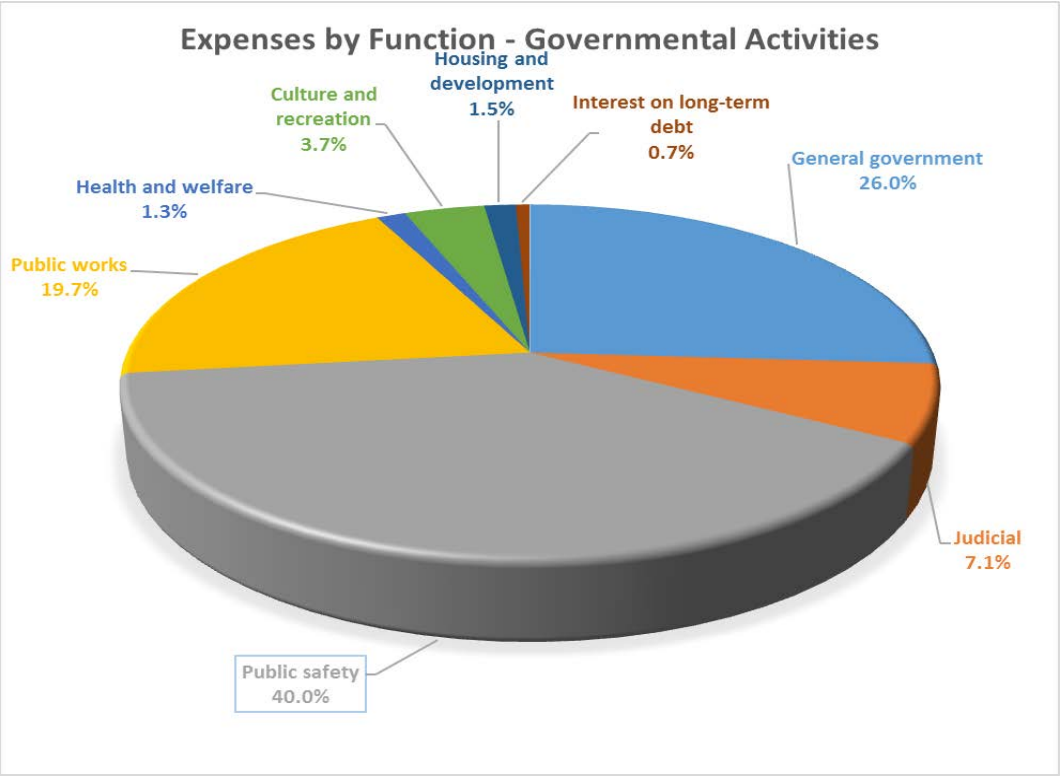
- Newton County reported $87,636,091 of governmental revenues in fiscal year 2018. This represents an increase of $13,913,096 (15.7%) from the prior year.
- The County's governmental activities relied on the following revenue sources in 2018: $65,146,662 in taxes, $11,400,403 in charges for services, $10,980,875 for grants and contributions, and $108,151 in investment earnings.
- Property tax totaling $37,935,899 is the largest revenue source for the county. Property tax revenue increased $4,781,686 (14.4%) during the year. Most of this increase is due to the increase of the value of real property.

The chart below illustrates the distribution of revenues for governmental activities.



- Expenses for Programs related to governmental activities totaled $93,289,757. This represents an increase of $8,938,473 (10.6%) from 2017.
- Expenses incurred for Public Safety, which includes the Sheriff's Department, Detention Center, Fire Services, Coroner, E-911, Animal Control, and EMA made up $37,335,611 or about 40% of the total.
- The largest increase was $6,973,692 in general government primarily related to a ten million dollar settlement payment to East Georgia Land.

The chart below illustrates the distribution of expenditures for governmental activities.



Business-type activities

Business-type activities decreased the County's net position by $7,279,598 in fiscal year 2018. Business Type Activities are comprised of: Water Resources, Solid Waste, and Gaither's at Myrtle Creek Farm (Gaither's Fund). A key element of the decrease is an Operating Transfer from the Solid Waste Fund to the General Fund of ten million dollars to fund a settlement payment of ten million dollars to East Georgia Land.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, Newton County Governmental Funds reported a combined fund balance of $37,801,258, which is a decrease from the prior year's total of $44,292,318. The General Fund reported a fund balance increase of $4,071,258. Other Governmental Funds reported a total decrease of $10,562,318.

The General Fund is the chief operating fund of the County**.** At the end of the current fiscal year, net change in fund balance for the General Fund increased by $4,071,258. There was a savings from positions funded but not filled namely in Public Safety. Also, with an emphasis on building fund balance reserves, departments cut all non-critical spending which provided additional savings.

The Impact Fee Fund accounts for all Impact Fee funds collected by the County that are used for certain approved projects under the Impact Fee Plan. The Impact Fee Fund balance at the end of fiscal year 2018 was $52,424, an increase of $991,240 from the prior year. This increase is due to impact fee collections are higher than the current costs of the planned projects.

The 2011 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2011 one percent Special Local Option Sales Tax Referendum. These resources must be used for various capital projects and road improvements throughout the County. At the end of the 2018 fiscal year, the 2011 SPLOST Capital Projects Fund had a total fund balance of $10,590,490, a decrease of $13,842,326 from the prior year. The decrease in fund balance is due to the projects continuing to be completed each year with no revenues to offset due to the ending of the collection on the one percent Special Purpose Local Option Sales Tax (ended June 30, 2017). As the remaining projects continue to be built, we will see a decrease in fund balance.

The 2017 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2017 one percent Special Local Option Sales Tax Referendum. These resources must be used for capital projects and road improvements throughout the County. At the end of the 2018 fiscal year, the 2017 SPLOST Capital Projects Fund had a total fund balance of $8,479,123. The collection of the 2017 SPLOST monies began in July 2017.

The Capital Improvement Fund accounts for the amounts that are used for various specific capital projects of the County. At the end of the 2018 fiscal year, the Capital Improvement Fund had a total fund balance of $422,408, a decrease of $5,508,329 from the prior year. This decrease in fund balance is due to the completion of construction projects for energy enhancement during fiscal year 2018.

Proprietary Funds

Newton County's Proprietary Fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Newton County has three enterprise funds; the Water Fund, Solid Waste Fund, and Gaither's Fund. At the end of the current fiscal year, the County's proprietary funds reported ending net position of $29,062,932, an increase of $1,383,025 in the Water Fund, a decrease of $8,641,983 in the Solid Waste Fund, and a decrease of $20,640 in the Gaither's Fund. Factors affecting the financial position of the Proprietary Funds are addressed in the discussion of Newton County's business type activities.

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

The Water Fund accounts for "wholesale" water which was sold to the previously detailed water retailers. Total revenue is reported at $9,245,879 with total expenses at $7,862,854, resulting in net income of $1,383,025 for fiscal year 2018. Net income produced by the Cornish Creek Water Fund will be used for future debt service and for the replacement and expansion of the County's drinking water production system. Expansion of the Cornish Creek Water Treatment Plant was completed in September of 2010. This has increased water production capacity from 15 MGD to 24 MGD. Series 2004 Water Revenue Bonds were issued for the water expansion and improvements in fiscal year 2005. Detail of debt is described in the long-term debt section. See Note 8 in the Financial Section for further details.

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

The Solid Waste Fund operates a central landfill and 5 recycling centers that are located throughout the county. The Recycling Centers serve as transfer stations, with solid waste and recyclables being transported to the landfill for processing. The Recycling Centers are operated and residents of Newton County began purchasing hang tags in order to utilize the centers. The number of centers was reduced in fiscal year 2018 from 11 centers to 5. Total operating revenue for the Solid Waste Fund is reported at $ 5,567,817 and total operating expenses total $3,942,286, resulting in net operating income of $1,625,531.

The County also reports operations of Gaither's at Myrtle Creek Farm as a separate fund. Gaither's is a special event facility of a historical nature that generates operating and capital revenues from rental fees, program events, donations, interest income, and an annual appropriation from the general fund. A significant portion of the $16,235 in operating revenues is the result of rental fees that came from television and movie productions during the past year.

Capital Assets and Debt Administration

Capital Assets

Newton County's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to $229,850,677 (net of accumulated depreciation). These assets include land, buildings, improvements, roads, bridges, machinery and equipment, vehicles, and construction in progress.

The table below provides a summary of capital assets.

Newton County's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
Land	**$ 68,437,715**	$ 68,177,463	**$ 26,003,392**	$ 28,014,483	**$ 94,441,107**	$ 96,191,946
Construction in progress	**11,728,398**	11,481,705	**725,352**	294,360	**12,453,750**	11,776,065
Intangibles	**33,402**	33,402	**20,526**	20,526	**53,928**	53,928
Buildings and improvements	**45,444,941**	48,043,677	**25,684,347**	26,825,033	**71,129,288**	74,868,710
Machinery and equipment	**10,113,188**	8,383,901	**2,356,594**	1,901,868	**12,469,782**	10,285,769
Infrastructure	**37,095,294**	44,264,497	**2,207,528**	2,321,699	**39,302,822**	46,586,196
Total	**$ 172,852,938**	$ 180,384,645	**$ 56,997,739**	$ 59,377,969	**$ 229,850,677**	$ 239,762,614

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

Long-Term Debt

As of June 30, 2018, Newton County had a net of $78,123,749 in total outstanding long-term debt, including compensated absences. The County's total debt increased by $4,952,072.

Governmental activities long-term debt of $24,788,375 is primarily attributed to $14,392,674 (58.3%) of capital lease obligations related to the ABM capital lease energy enhancement project entered into in fiscal year 2017. The $12,259,761 decrease in total long-term debt is due primarily to the payment of $10,000,000 in litigation costs paid in 2018.

In business activities, Landfill post-closure costs accounts for $13,187,547 (24.7%) of the total long-term debt of $53,335,374. The Solid Waste Management Authority Revenue bonds, Series 2017A of $10,015,000, and Series 2017B of $12,250,000, issued in 2018 account a majority of the remaining long-term debt and is the primary factor of the increase in total debt.

Below is a summary table of long-term debt compared to the prior year. For further information on the County's debt, refer to the Note 8 of this report.

Newton County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	**2018**	2017	**2018**	2017
General obligation bonds	**$ 517,551**	$ 1,705,104	**$ -**	$ -	**$ 517,551**	$ 1,705,104
Revenue bonds	**-**	-	**36,700,000**	16,640,000	**36,700,000**	16,640,000
Installment sale agreements	**5,175,000**	6,315,000	**-**	-	**5,175,000**	6,315,000
Notes payable	**14,451,493**	14,511,551	**1,596,593**	3,924,063	**16,048,086**	18,435,614
Capital lease obligations	**57,251**	131,752	**-**	-	**57,251**	131,752
Landfill post-closure costs	**-**	-	**13,187,547**	15,160,000	**13,187,547**	15,160,000
Net pension liability	**2,458,462**	2,788,504	**485,769**	399,478	**2,944,231**	3,187,982
Claims and judgements payable	**-**	10,000,000	**-**	-	**-**	10,000,000
Compensated absences	**2,128,618**	1,596,225	**-**	-	**2,128,618**	1,596,225
Total	**$ 24,788,375**	$ 37,048,136	**$ 51,969,909**	$ 36,123,541	**$ 76,758,284**	$ 73,171,677

General Fund Budgetary Highlights

The General Fund is the primary source of funding for the day-to-day governmental operations of Newton County. Our financial policy requires a balanced budget; thus, the Board of Commissioners annually determines and sets the approved level of expenditures for each department. While fiscal year 2017 continued to present challenges for Newton County due to slow recession recovery, the county was able to provide uncompromised service delivery and continued to improve our financial condition.

The General Fund actual revenues of $59,376,524 exceeded actual expenditures of $64,030,433, resulting in an increase of $4,071,058 in fund balance. This was due to a combined effort on the part of all the departments to tightly manage their spending as well as savings from positions funded but not filled.

Economic Factors and Next Year's Budget

The economic outlook for 2018 is expected to continue to improve as the tax digest is slowly recovering from the economic downturn in prior years. The unemployment rate in Newton County is 5.3%, which is slightly lower than the rate a year ago. Commissioners elected to keep the overall County millage rate at 13.441 and not take the rollback millage rate in order to provide funding for market rate adjustments for all county employees.

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

Requests for Information

This financial report is designed to provide a general overview of Newton County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Newton County Board of Commissioners
Finance Department
1113 Usher Street, Suite 204
Covington, Georgia 30014

BASIC FINANCIAL STATEMENTS

NEWTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units				
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Industrial Development Authority	Library System	Recreation Commission	Water and Sewerage Authority
ASSETS								
Cash and cash equivalents	$ 33,980,483	$ 21,466,363	$ 55,446,846	$ 3,065,973	$ 888,757	$ 1,640,250	$ 616,790	$ 5,000
Investments	6,805,092	-	6,805,092	-	-	56,133	-	-
Receivables, net of allowances for uncollectibles	2,784,458	1,020,339	3,804,797	97,780	-	78,853	6,484	2,193,185
Due from other governments	2,724,833	135,759	2,860,592	-	-	-	-	-
Inventory	184,198	2,287	186,485	-	-	-	-	118,812
Prepaid items	212,788	-	212,788	-	-	2,997	-	22,809
Restricted assets:								
Cash and cash equivalents	467,201	2,979,055	3,446,256	-	-	-	-	21,693,736
Investments	-	-	-	-	-	-	-	213,309
Deferred charges	281,447	1,180,983	1,462,430	-	-	-	-	-
Other non-current assets	9,612,658	-	9,612,658	-	-	-	-	-
Capital assets, non-depreciable	80,199,515	26,749,270	106,948,785	-	1,675,838	127,578	-	13,015,407
Capital assets, depreciable (net of accumulated depreciation)	92,653,423	30,248,469	122,901,892	38,251	-	5,288,062	208,264	102,071,301
Total assets	229,906,096	83,782,525	313,688,621	3,202,004	2,564,595	7,193,873	831,538	139,333,559
DEFERRED OUTFLOWS OF RESOURCES								
OPEB	-	-	-	183,692	-	24,470	-	-
Pensions	932	184	1,116	281,661	-	117,452	-	71
Total deferred outflows of resources	932	184	1,116	465,353	-	141,922	-	71

(Continued)

NEWTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units				
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Industrial Development Authority	Library System	Recreation Commission	Water and Sewerage Authority
LIABILITIES								
Accounts payable	$ 5,326,941	$ 557,365	$ 5,884,306	$ 84,884	$ -	$ 78,328	$ 1,278	$ 1,909,179
Accrued liabilities	575,668	486,614	1,062,282	-	-	10,677	-	1,109,594
Due to other governments	53,665	-	53,665	-	-	-	122,066	-
Payable from restricted assets:								
Customer deposits payable	-	4,875	4,875	-	-	-	-	
Revenue bonds payable	-	-	-	-	-	-	-	62,000
Surety bonds payable	467,201	-	467,201	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-	-	633
Non-current liabilities:								
Due within one year	2,226,563	2,839,153	5,065,716	73,700	-	12,699	3,145	671,578
Due in more than one year	20,103,350	50,010,452	70,113,802	21,124	-	19,049	2,167	14,628,096
Net pension liability due in more than one year	2,458,462	485,769	2,944,231	1,517,924	-	712,932	-	187,930
Net OPEB liability due in more than one year	-	-	-	1,299,734	-	682,828	-	-
Total liabilities	31,211,850	54,384,228	85,596,078	2,997,366	-	1,516,513	128,656	18,569,010
DEFERRED INFLOWS OF RESOURCES								
OPEB	-	-	-	123,349	-	169,568	-	-
Pensions	88,509	17,488	105,997	29,155	-	78,019	-	6,766
Unearned revenue	-	318,061	318,061	-	-	-	23,630	333,463
Total deferred inflows of resources	88,509	335,549	424,058	152,504	-	247,587	23,630	340,229
NET POSITION								
Net investment in capital assets	157,345,105	27,142,372	184,487,477	38,251	1,675,838	5,415,640	202,952	99,725,034
Restricted for:								
General government	420,338	-	420,338	-	-	-	-	-
Judicial	671,962	-	671,962	-	-	-	-	-
Public safety	2,972,308	-	2,972,308	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and welfare	29,930	-	29,930	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Debt service	-	2,979,055	2,979,055	-	-	-	-	213,309
Capital projects	21,999,933	-	21,999,933	-	-	219,639	-	-
Renewal and extension	-	-	-	-	-	-	-	10,721,665
Other	-	-	-	1,533,180	-	-	-	-
Unrestricted	15,167,093	(1,058,495)	14,108,598	(1,053,944)	888,757	(63,584)	476,300	9,764,383
Total Net Position	$ 198,606,669	$ 29,062,932	$ 227,669,601	$ 517,487	$ 2,564,595	$ 5,571,695	$ 679,252	$ 120,424,391

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

NEWTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 24,254,115	$ 2,922,064	$ 171,046	$ 856,882	$ (20,304,123)	$ -	$ (20,304,123)
Judicial	6,638,406	2,432,597	1,354,632	-	(2,851,177)	-	(2,851,177)
Public safety	37,335,611	3,249,502	1,394,925	-	(32,691,184)	-	(32,691,184)
Public works	18,349,291	1,469,630	747,427	1,549,617	(14,582,617)	-	(14,582,617)
Health and welfare	1,250,959	75,166	355,610	-	(820,183)	-	(820,183)
Culture and recreation	3,483,713	370,873	44,066	-	(3,068,774)	-	(3,068,774)
Housing and development	1,364,862	880,571	23,202	4,483,468	4,022,379	-	4,022,379
Interest on long-term debt	612,800	-	-	-	(612,800)	-	(612,800)
Total governmental activities	93,289,757	11,400,403	4,090,908	6,889,967	(70,908,479)	-	(70,908,479)
Business-type activities:							
Water	6,396,264	9,234,490	-	-	-	2,838,226	2,838,226
Solid waste	4,696,455	5,567,817	-	-	-	871,362	871,362
Gaither's Plantation	237,007	16,235	-	-	-	(220,772)	(220,772)
Total business-type activities	11,329,726	14,818,542	-	-	-	3,488,816	3,488,816
Total primary government	$ 104,619,483	$ 26,218,945	$ 4,090,908	$ 6,889,967	(70,908,479)	3,488,816	(67,419,663)
Component units:							
Department of Public Health	$ 1,978,852	$ 1,273,730	$ 1,307,411	$ -	-	-	-
Industrial Development Authority	17,564	81,860	-	-	-	-	-
Library System	1,540,026	94,243	1,180,863	39,634	-	-	-
Recreation Commission	2,087,520	428,805	1,828,051	-	-	-	-
Water and Sewerage Authority	14,507,363	21,091,569	-	715,506	-	-	-
Total component units	$ 20,131,325	$ 22,970,207	$ 4,316,325	$ 755,140	-	-	-
General revenues:							
Property taxes					37,935,899	-	37,935,899
Sales taxes					20,620,046	-	20,620,046
Franchise taxes					715,003	-	715,003
Insurance premium taxes					5,009,793	-	5,009,793
Other taxes					865,921	-	865,921
Unrestricted investment earnings (loss)					108,151	104,375	212,526
Loss on disposal of capital assets					-	(1,461,090)	(1,461,090)
Transfers					9,411,699	(9,411,699)	-
Total general revenues and transfers					74,666,512	(10,768,414)	63,898,098
Change in net position					3,758,033	(7,279,598)	(3,521,565)
Net position, beginning of year, as restated					194,848,636	36,342,530	231,191,166
Net position, end of year					$ 198,606,669	$ 29,062,932	$ 227,669,601

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

Net (Expenses) Revenues and Changes in Net Position				
Component Units				
Department of Public Health	Industrial Development Authority	Library System	Recreation Commission	Water and Sewerage Authority
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
602,289	-	-	-	-
-	64,296	-	-	-
-	-	(225,286)	-	-
-	-	-	169,336	-
-	-	-	-	7,299,712
602,289	64,296	(225,286)	169,336	7,299,712
-	-	-	-	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
	2,905	2,017	192	(18,551)
-	-	-	-	3,292
-	-	-	-	-
-	2,905	2,017	192	(15,259)
602,289	67,201	(223,269)	169,528	7,284,453
(84,802)	2,497,394	5,794,964	509,724	113,139,938
$ 517,487	$ 2,564,595	$ 5,571,695	$ 679,252	$ 120,424,391

NEWTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Impact Fee Fund	2017 SPLOST Fund	2011 SPLOST Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 5,487,129	$ 52,424	$ 7,888,945	$ 12,646,308	$ 383,280	$ 6,811,129	$ 33,269,215
Investments	6,723,422	-	7,966	-	-	73,704	6,805,092
Receivables, net of allowances for uncollectibles	1,434,947	-	1,038,000	-	-	311,511	2,784,458
Due from other governments	957,675	-	-	-	71,153	1,696,005	2,724,833
Due from other funds	30	-	-	-	-	-	30
Inventory	184,198	-	-	-	-	-	184,198
Prepaid items	105,003	-	-	-	-	-	105,003
Restricted cash	467,201	-	-	-	-	-	467,201
Total assets	$ 15,359,605	$ 52,424	$ 8,934,911	$ 12,646,308	$ 454,433	$ 8,892,349	$ 46,340,030
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 1,113,591	$ -	$ 455,788	$ 2,055,818	$ 23,934	$ 1,626,030	$ 5,275,161
Accrued liabilities	575,668	-	-	-	-	-	575,668
Due to other governments	-	-	-	-	-	53,665	53,665
Due to other funds	-	-	-	-	-	30	30
Payable from restricted assets	467,201	-	-	-	-	-	467,201
Total liabilities	2,156,460	-	455,788	2,055,818	23,934	1,679,725	6,371,725
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	934,035	-	-	-	-	43,323	977,358
Unavailable revenue - period of availability	-	-	-	-	8,091	1,181,598	1,189,689
Total deferred inflows of resources	934,035	-	-	-	8,091	1,224,921	2,167,047

(Continued)

NEWTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)	General Fund	Impact Fee Fund	2017 SPLOST Fund	2011 SPLOST Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES							
Nonspendable:							
Prepaids	$ 105,003	$ -	$ -	$ -	$ -	$ -	$ 105,003
Inventories	184,198	-	-	-	-	-	184,198
Restricted:							
General government	-	-	-	-	-	420,338	420,338
Judicial	-	-	-	-	-	671,962	671,962
Public safety	-	-	-	-	-	2,972,308	2,972,308
Health and welfare	-	-	-	-	-	29,930	29,930
Capital projects	-	52,424	8,479,123	10,590,490	422,408	2,491,501	22,035,946
Assigned:							
Encumbrances	457,972	-	-	-	-	-	457,972
Debt service	-	-	-	-	-	131,604	131,604
Unassigned:							
General fund	11,521,937	-	-	-	-	-	11,521,937
Special revenue funds	-	-	-	-	-	(729,940)	(729,940)
Total fund balances	12,269,110	52,424	8,479,123	10,590,490	422,408	5,987,703	37,801,258
Total liabilities, deferred inflows of resources and fund balances	$ 15,359,605	$ 52,424	$ 8,934,911	$ 12,646,308	$ 454,433	$ 8,892,349	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							172,852,938
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.							2,167,047
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 assumption changes.							932
Internal service funds are used by management to charge the costs of workers' compensation insurance and related administrative costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.							767,273
Other assets - Investment in Joint Venture - are not financial resources and, therefore, are not reported in the funds.							9,612,658
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.							(22,048,466)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.							(2,458,462)
Deferred inflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.							
These deferred inflows of resources consist of pension related experience differences and differences between projected and actual earnings on investments.							(88,509)
Net position of governmental activities							$ 198,606,669

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 FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Impact Fee Fund	2017 SPLOST Fund	2011 SPLOST Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	$ 50,647,975	$ -	$ 11,789,590	$ -	$ -	$ 1,837,255	$ 64,274,820
Licenses and permits	981,952	-	-	-	-	-	981,952
Intergovernmental	1,478,992	-	-	-	558,020	3,064,872	5,101,884
Charges for services	4,354,495	990,937	-	-	-	1,728,837	7,074,269
Fines and forfeitures	956,877	-	-	-	-	731,856	1,688,733
Investment income	47,502	303	8,409	21,526	24,543	5,628	107,911
Contributions	56,000	-	751,321	-	-	44,739	852,060
Miscellaneous	852,731	-	-	115,561	-	74,903	1,043,195
Total revenues	59,376,524	991,240	12,549,320	137,087	582,563	7,488,090	81,124,824
Expenditures:							
Current:							
General government	19,418,444	-	-	-	-	104,986	19,523,430
Judicial	5,207,606	-	-	-	-	1,515,332	6,722,938
Public safety	28,953,374	-	-	-	-	3,286,419	32,239,793
Public works	4,837,110	-	-	-	-	1,675,628	6,512,738
Health and welfare	1,084,880	-	-	-	-	129,552	1,214,432
Culture and recreation	2,781,149	-	-	-	-	-	2,781,149
Housing and development	1,320,547	-	-	-	-	-	1,320,547
Capital outlay	-	-	2,819,903	13,199,416	6,862,888	818,237	23,700,444
Debt service:							
Principal retirement	47,424	-	1,187,553	530,000	-	697,135	2,462,112
Interest and fiscal charges	379,899	-	62,741	10,011	-	106,764	559,415
Total expenditures	64,030,433	-	4,070,197	13,739,427	6,862,888	8,334,053	97,036,998
Excess (deficiency) of revenues over (under) expenditures	(4,653,909)	991,240	8,479,123	(13,602,340)	(6,280,325)	(845,963)	(15,912,174)
Other financing sources (uses):							
Transfers in	11,075,979	-	-	2,739	771,996	1,366,477	13,217,191
Transfers out	(2,360,227)	-	-	(242,725)	-	(1,202,540)	(3,805,492)
Proceeds from sale of capital assets	9,415	-	-	-	-	-	9,415
Total other financing sources (uses)	8,725,167	-	-	(239,986)	771,996	163,937	9,421,114
Net change in fund balances	4,071,258	991,240	8,479,123	(13,842,326)	(5,508,329)	(682,026)	(6,491,060)
Fund balances (deficit), beginning of year	8,197,852	(938,816)	-	24,432,816	5,930,737	6,669,729	44,292,318
Fund balances, end of year	$ 12,269,110	$ 52,424	$ 8,479,123	$ 10,590,490	$ 422,408	$ 5,987,703	$ 37,801,258

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(6,491,060)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		5,095,408
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(12,627,115)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		5,535,192
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		12,462,112
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.		(568,399)
Internal service funds are used by management to charge the costs of workers' compensation and related administrative costs to individual funds.		351,895
	$	3,758,033

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

NEWTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 50,159,858	$ 50,439,575	$ 50,647,975	$ 208,400
Licenses and permits	663,500	663,500	981,952	318,452
Intergovernmental	1,407,734	1,418,154	1,478,992	60,838
Charges for services	3,363,665	4,442,429	4,354,495	(87,934)
Fines and forfeitures	440,000	840,000	956,877	116,877
Investment income	17,000	17,000	47,502	30,502
Contributions	17,500	80,650	56,000	(24,650)
Miscellaneous	898,499	844,631	852,731	8,100
Total revenues	56,967,756	58,745,939	59,376,524	630,585
Expenditures:				
General government:				
Governing body	4,325,478	4,759,392	13,875,562	(9,116,170)
Elections	377,916	379,591	309,862	69,729
General administration	869,646	862,533	846,454	16,079
Data processing	710,756	750,230	745,145	5,085
GIS	281,776	267,439	236,668	30,771
Human resources	591,246	584,735	540,766	43,969
Tax commissioner	(418,005)	1,125,759	1,071,689	54,070
Tax assessor	947,137	952,195	912,366	39,829
Buildings and plant	881,129	882,810	879,932	2,878
Total general government	8,567,079	10,564,684	19,418,444	(8,853,760)
Judicial:				
Judge of superior court	937,589	973,578	867,902	105,676
Clerk of superior court	1,166,267	1,165,097	1,053,021	112,076
District attorney	1,238,535	1,245,943	1,127,568	118,375
Magistrate court	286,613	286,613	268,493	18,120
Probate court	487,798	487,798	454,208	33,590
Juvenile court	951,062	954,770	961,273	(6,503)
Public defender	489,643	492,018	475,141	16,877
Total judicial	5,557,507	5,605,817	5,207,606	398,211
Public safety:				
Sheriff	12,846,938	12,712,815	11,838,842	873,973
Jail	11,391,805	11,391,805	10,947,637	444,168
Fire	5,593,714	5,957,786	5,352,693	605,093
Coroner	91,640	91,640	80,666	10,974
Other protective services	781,712	800,415	733,536	66,879
Total public safety	30,705,809	30,954,461	28,953,374	2,001,087

(Continued)

NEWTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures: (Continued)				
Public works:				
Administration	$ 3,419,282	$ 3,922,227	$ 3,638,638	$ 283,589
Solid waste recycling	148,985	149,667	136,575	13,092
Maintenance and shop	1,307,617	1,292,381	1,061,897	230,484
Total public works	4,875,884	5,364,275	4,837,110	527,165
Health and welfare:				
Welfare	1,203,490	1,165,696	1,084,880	80,816
Total health and welfare	1,203,490	1,165,696	1,084,880	80,816
Culture and recreation:				
Recreation	1,864,792	1,824,964	1,864,697	(39,733)
Libraries	915,958	915,958	916,452	(494)
Total culture and recreation	2,780,750	2,740,922	2,781,149	(40,227)
Housing and development:				
Conservation	97,914	97,914	93,216	4,698
Planning and zoning	1,018,056	1,001,082	987,480	13,602
Economic development	239,851	239,851	239,851	-
Total housing and development	1,355,821	1,338,847	1,320,547	18,300
Debt service:				
Principal	47,424	47,424	47,424	-
Interest and fiscal charges	404,122	404,122	379,899	24,223
Total culture and recreation	451,546	451,546	427,323	24,223
Total expenditures	55,497,886	58,186,248	64,030,433	(5,844,185)
Excess of revenues over expenditures	1,469,870	559,691	(4,653,909)	(5,213,600)
Other financing sources (uses):				
Transfers in	1,000,000	1,075,979	11,075,979	10,000,000
Transfers out	(2,474,870)	(2,197,585)	(2,360,227)	(162,642)
Proceeds from sale of capital assets	5,000	5,000	9,415	4,415
Total other financing sources (uses)	(1,469,870)	(1,116,606)	8,725,167	9,841,773
Net change in fund balances	-	(556,915)	4,071,258	4,628,173
Fund balances, beginning of year	8,197,852	8,197,852	8,197,852	-
Fund balances, end of year	$ 8,197,852	$ 7,640,937	$ 12,269,110	$ 4,628,173

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

NEWTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Water Fund	Solid Waste Fund	Non-Major Gaither's Fund	Totals	Governmental Activities Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash	$ 10,440,946	$ 10,993,503	$ 31,914	$ 21,466,363	$ 711,268
Accounts receivable, net of allowances	814,595	205,666	78	1,020,339	-
Inventory	-	2,287	-	2,287	-
Prepaid items	-	-	-	-	107,785
Due from other governments	80,414	-	-	80,414	-
Total current assets	11,335,955	11,201,456	31,992	22,569,403	819,053
NONCURRENT ASSETS					
Restricted cash	2,712,457	266,598	-	2,979,055	-
Note receivable	55,345	-	-	55,345	-
Deferred amount on debt refunding	1,180,983	-	-	1,180,983	-
Capital assets, nondepreciable	23,124,491	3,624,779	-	26,749,270	-
Capital assets, depreciable, net of accumulated depreciation	23,041,352	6,965,742	241,375	30,248,469	-
Total noncurrent assets	50,114,628	10,857,119	241,375	61,213,122	-
Total assets	61,450,583	22,058,575	273,367	83,782,525	819,053
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	105	67	12	184	-
Total deferred outflows of resources	105	67	12	184	-
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	292,808	261,984	2,573	557,365	51,780
Accrued liabilities	268,191	213,158	5,265	486,614	-
Current portion of notes payable	37,863	-	-	37,863	-
Current portion of revenue bonds	2,260,000	435,000	-	2,695,000	-
Current portion of capital leases	-	106,290	-	106,290	-
Deposits from customers	-	-	4,875	4,875	-
Total current liabilities	2,858,862	1,016,432	12,713	3,888,007	51,780
NONCURRENT LIABILITIES					
Notes payable	597,405	961,325	-	1,558,730	-
Revenue bonds	12,175,000	22,506,465	-	34,681,465	-
Landfill closure/post-closure	-	13,187,547	-	13,187,547	-
Capital leases	-	582,710	-	582,710	-
Net pension liabilities	278,173	177,253	30,343	485,769	-
Total noncurrent liabilities	13,050,578	37,415,300	30,343	50,496,221	-
Total liabilities	15,909,440	38,431,732	43,056	54,384,228	51,780
DEFERRED INFLOWS OF RESOURCES					
Pensions	10,015	6,381	1,092	17,488	-
Unearned revenue	-	317,461	600	318,061	-
Total deferred inflows of resources	10,015	323,842	1,692	335,549	-
NET POSITION					
Invested in capital assets	31,095,575	(4,194,578)	241,375	27,142,372	-
Restricted for debt service	2,712,457	266,598	-	2,979,055	-
Unrestricted	11,723,201	(12,768,952)	(12,744)	(1,058,495)	767,273
Total net position	$ 45,531,233	$ (16,696,932)	$ 228,631	$ 29,062,932	$ 767,273

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

NEWTON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Water Fund	Solid Waste Fund	Non-Major Gaither's Fund	Totals	Governmental Activities Internal Service Fund
Operating revenues:					
Charges for services:					
Sales	$ 9,168,280	$ 2,654,259	$ 13,721	$ 11,836,260	$ 975,835
Transportation and wheeling	7,200	-	-	7,200	-
Meter maintenance	30,543	-	-	30,543	-
Sale of recyclables	-	47,761	-	47,761	-
Activity fees	6,304	-	-	6,304	-
Intergovernmental revenue	-	45,113	-	45,113	-
Miscellaneous revenue	22,163	2,820,684	2,514	2,845,361	-
Total operating revenues	9,234,490	5,567,817	16,235	14,818,542	975,835
Operating expenses:					
Cost of sales and services	-	85,948	-	85,948	-
Salaries and benefits	1,169,031	845,712	151,406	2,166,149	-
Purchased/contracted services	1,233,465	2,118,899	45,689	3,398,053	-
Supplies and materials	1,855,449	318,129	23,034	2,196,612	-
Depreciation	1,110,948	573,598	16,878	1,701,424	-
Other costs	489,100	-	-	489,100	-
Insurance claims	-	-	-	-	624,180
Total operating expenses	5,857,993	3,942,286	237,007	10,037,286	624,180
Operating income (loss)	3,376,497	1,625,531	(220,772)	4,781,256	351,655
Nonoperating revenues (expenses):					
Investment income	11,389	92,986	-	104,375	240
Loss on disposal of assets	(1,461,090)	-	-	(1,461,090)	-
Interest expense	(538,271)	(754,169)	-	(1,292,440)	-
Total nonoperating revenues (expenses)	(1,987,972)	(661,183)	-	(2,649,155)	240
Income (loss) before transfers	1,388,525	964,348	(220,772)	2,132,101	351,895
Transfers in	-	393,974	200,132	594,106	-
Transfers out	(5,500)	(10,000,305)	-	(10,005,805)	-
Change in net position	1,383,025	(8,641,983)	(20,640)	(7,279,598)	351,895
Net position, beginning of year	44,148,208	(8,054,949)	249,271	36,342,530	415,378
Net position, end of year	$ 45,531,233	$ (16,696,932)	$ 228,631	$ 29,062,932	$ 767,273

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

NEWTON COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2018

	Water Fund	Solid Waste Fund	Non-Major Gaither's Fund	Totals	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 9,486,890	$ 5,612,629	$ 21,382	$ 15,120,901	$ -
Receipts for interfund services	-	-		-	975,835
Receipts from others	-	45,113	-	45,113	-
Payments to suppliers and service providers	(3,699,930)	(4,487,660)	(75,123)	(8,262,713)	(637,569)
Payments to employees	(1,016,353)	(581,834)	(120,442)	(1,718,629)	-
Net cash provided by (used in) operating activities	4,770,607	588,248	(174,183)	5,184,672	338,266
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	393,974	200,132	594,106	-
Transfers out	(5,500)	(10,000,305)	-	(10,005,805)	-
Net cash provided by (used in) noncapital financing activities	(5,500)	(9,606,331)	200,132	(9,411,699)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	(106,146)	(1,208,277)	(31,819)	(1,346,242)	-
Principal payments on notes payable	(37,337)	(3,251,458)	-	(3,288,795)	-
Principal payments on bonds	(2,205,000)	(465,000)	-	(2,670,000)	-
Interest paid	(341,440)	(754,169)	-	(1,095,609)	-
Proceeds from issuance of notes payable	-	961,325	-	961,325	-
Proceeds from issuance of capital lease	-	689,000	-	689,000	-
Proceeds from issuance of bonds	-	23,406,465	-	23,406,465	-
Proceeds from sale of capital assets	563,958	-	-	563,958	-
Net cash provided by (used in) capital and related financing activities	(2,125,965)	19,377,886	(31,819)	17,220,102	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Principal payments on notes receivable	54,051	-	-	54,051	-
Interest on investments	11,389	92,986	-	104,375	240
Net cash provided by investing activities	65,440	92,986	-	158,426	240
Net increase (decrease) in cash and cash equivalents	2,704,582	10,452,789	(5,870)	13,151,501	338,506
Cash and cash equivalents:					
Beginning of year	10,448,821	807,312	37,784	11,293,917	372,762
End of year	$ 13,153,403	$ 11,260,101	$ 31,914	$ 24,445,418	$ 711,268
Classified as:					
Cash	$ 10,440,946	10,993,503	31,914	21,466,363	711,268
Restricted cash	2,712,457	266,598	-	2,979,055	-
	$ 13,153,403	$ 11,260,101	$ 31,914	$ 24,445,418	$ 711,268

(Continued)

NEWTON COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2018

	Water Fund	Solid Waste Fund	Non-Major Gaither's Fund	Totals	Governmental Activities Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 3,376,497	$ 1,625,531	$ (220,772)	$ 4,781,256	$ 351,655
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	1,110,948	573,598	16,878	1,701,424	-
(Increase)/decrease in:					
Accounts receivable	252,400	29,066	(78)	281,388	-
Inventory	-	(1,185)	-	(1,185)	-
Prepaid items	-	-	-	-	(13,247)
Due from other governments	(2,983)	-	-	(2,983)	-
Deferred outflows of resources	21,266	10,410	386	32,062	-
Increase/(decrease) in:					
Accounts payable	(118,933)	8,954	(6,400)	(116,379)	(142)
Accrued liabilities	107,977	199,628	4,074	311,679	-
Net pension liabilities	13,420	47,459	25,412	86,291	-
Deferred inflows of resources	10,015	6,381	1,092	17,488	-
Customer deposits	-	-	4,625	4,625	-
Landfill closure/post-closure care costs	-	(1,972,453)	-	(1,972,453)	-
Unearned revenue	-	60,859	600	61,459	-
Net cash provided by (used in) operating activities	$ 4,770,607	$ 588,248	$ (174,183)	$ 5,184,672	$ 338,266

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

NEWTON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 2,671,202
Taxes receivable	3,124,403
Total assets	$ 5,795,605
LIABILITIES	
Due to others	5,795,605
Total liabilities	$ 5,795,605

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

NOTES TO FINANCIAL STATEMENTS

GUIDE TO NOTES

Page

Note 1: Summary of Significant Accounting Policies 33

Note 2: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements 48

Note 3: Legal Compliance - Budgets 52

Note 4: Deposits and Investments 54

Note 5: Receivables 57

Note 6: Capital Assets 58

Note 7: Short-Term Debt 60

Note 8: Long-Term Debt and Capital Leases 61

Note 9: Interfund Receivables, Payables and Transfers 73

Note 10: Defined Benefit Pension Plans 75

Note 11: Risk Management 82

Note 12: Landfill Closure and Post-closure Care 83

Note 13: Commitments and Contingencies 84

Note 14: Joint Ventures 85

Note 15: Subsequent Events 86

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Government Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus (An Amendment to GASB No.'s 14 and 34)*, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. Based upon the application of these criteria, the following is a brief review of each component unit addressed in defining the County's reporting entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

Newton County Department of Public Health

The Newton County Department of Public Health is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County provides funding to the Health Department by way of an annual appropriation and by providing building facilities. The Newton County Department of Public Health is presented as a governmental fund type component unit. The Newton County Department of Public Health's financial statements have been presented separately and can be obtained by writing to the Newton County Department of Public Health, 8203 Hazelbrand Rd NE, Covington, Georgia 30014.

Newton County Industrial Development Authority

The Newton County Industrial Development Authority is governed by a five-member board, of which one member is appointed by the governing authority of the County. The County provides guarantees and funding for various bonds issued for industrial development by the Newton County Development Authority. The Newton County Industrial Development Authority is presented as a governmental fund type component unit. Separate financial statements for the Newton County Industrial Authority may be obtained by writing to the Newton County Industrial Development Authority, P.O. Box 1617, Covington, Georgia 30015.

Newton County Library System

The Newton County Library System is governed by an eight-member board, of which six members are appointed by the governing authority of the County. 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 Newton County Library System is presented as a governmental fund type component unit. The Newton County Library System's financial statements have been presented separately and can be obtained by writing to the Newton County Library System, 7116 Floyd Street, Covington, Georgia 30014.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Newton County Recreation Commission

The Newton County Recreation Commission is governed by a six-member board, of which three members are appointed by the governing authority of 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 Newton County Recreation Commission is presented as a governmental fund type component unit. Separate financial statements for the Newton County Recreation Commission may be obtained by writing to the Newton County Recreation Commission, 6185 Turner Lake, Covington, Georgia 30014.

Newton County Water and Sewerage Authority

The Newton County Water Authority (the "Water Authority") was created under the Acts of the General Assembly of the State of Georgia on March 10, 1970, to provide water and related services throughout Newton County, Georgia. The Water Authority is governed by an eight-member Board of Directors, five of which are appointed by Newton County. The County is obligated for the debt of the Water Authority and, therefore, a financial burden exists. The Water Authority is presented as a proprietary fund type component unit. Separate financial statements for the Water Authority may be obtained by writing to the Newton County Water Authority, 11325 Brown Bridge Road, Covington, Georgia 30209.

Blended Component Unit

Newton County Senior Services

Newton County Senior Services is governed by a board of trustees, appointed by the members of the County's Board of Commissioners, who submit their annual budget to the County's Board of Commissioners. Although it is legally separate from the County, Newton County Senior Services is reported as if it were part of the primary government because of the oversight of the County and financial assistance to the Newton County Senior Services. Separate financial statements are not prepared for the Newton County Senior Services. During the year ended June 30, 2018, Newton County Senior Services was absorbed by the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Impact Fee Fund*** is used to account for impact fee funds collected by the County that are used for certain approved projects under the Impact Fee Plan.

The ***2017 SPLOST Fund*** is used to account for the revenues and expenditures relating to the 2017 1% Special Purpose Local Option Sales Tax.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The ***2011 SPLOST Fund*** is used to account for the revenues and expenditures relating to the 2011 1% Special Purpose Local Option Sales Tax.

The ***Capital Improvement Fund*** is used to account for the amounts that are used for various specific capital projects of the County.

The County reports the following major proprietary funds:

The ***Water Fund*** is used to account for the revenues and expenses relating to the operation and maintenance of the Cornish Creek reservoir water system.

The ***Solid Waste Fund*** is used to account for the revenues and expenses relating to the operation and maintenance of the County's landfill, disposal sites, and recycling center.

Additionally, the County reports the following fund types:

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

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

The ***Debt Service Fund*** is 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.

The ***Enterprise Fund*** is used to account for the activity of the Gaither Fund.

The ***Internal Service Fund*** is used to account for assets set aside for workers' compensation claims.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Inventories and Prepaid Items

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

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

G. Restricted Assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Water Authority is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

	Years	
Asset Category	**Governmental Activities**	**Business-type Activities**
Buildings and improvements	20-50	25-30
Machinery and equipment	7-12	5-12
Infrastructure	15-50	N/A
Water distribution system	N/A	40
Vehicles	5	N/A
Furniture and fixtures	10	N/A
Computer equipment	5	N/A

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources and Net Position

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County did not have any items that qualified for reporting in this category other than the items related to the changes in the net pension liability which are discussed below.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. These items arise only under modified accrual basis of accounting. Accordingly, these items, unavailable revenue from property taxes and unavailable revenue due to the period of availability, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The County also has deferred outflows and deferred inflows relating to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Newton County, Georgia Retirement Plan ("Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits and compensatory time balances. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. There is no liability for non-vesting accumulated rights to receive sick pay benefits, since the County does not have a policy to pay any amounts when employees separate from service with the County.

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

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

Fund balances are classified as follows:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Assigned** - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's Finance Director to assign fund balances.

- **Unassigned** - Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds. The County reported negative unassigned fund balance of $434,223 in the FEMA Grant Fund, $8,266 in the E-911 Fund and $287,451 in the Multiple Grant Fund for the year ended June 30, 2018.

Fund Balance Flow Assumptions

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Net Position

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

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

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

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

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

N. Use of Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $22,048,466 difference are as follows:

Capital leases payable	$ (57,251)
Notes payable	(14,451,493)
General obligation bonds payable	(517,551)
Certificates of participation	(5,175,000)
Compensated absences	(2,128,618)
Deferred amount of debt refunding	281,447
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (22,048,466)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $5,095,408 difference are as follows:

Capital outlay	$ 16,918,212
Depreciation expense	(11,822,804)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$ 5,095,408

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $12,462,112 difference are as follows:

Principal repayments:		
Capital leases	$	74,501
Notes payable		60,058
Bonds payable and installment sales		2,327,553
Claims and judgments		10,000,000
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	12,462,112

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $568,399 difference are as follows:

Compensated absences	$	(532,393)
Amortization of premium on general obligation bonds		(66,055)
Accrued interest		12,670
Net pension liability		17,379
Net adjustment to decrease *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(568,399)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

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

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

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

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

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

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

B. Fund Deficits

The County reported deficit fund balances in the Solid Waste Fund, the E-911 Fund, and the FEMA Grant Fund in the respective amounts of $16,696,932, $8,266 and $434,223. The deficits are intended to be eliminated through future revenues.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Fund Deficits (Continued)

For the year ended June 30, 2018, expenditures exceeded the appropriations as follows:

	Excess
General Fund:	
General government - governing body	$ 9,116,170
Judicial - juvenile court	6,503
Culture and recreation - recreation	39,733
Culture and recreation - libraries	494
Forfeited Funds:	
Public safety	95,388
Sheriff Special Revenue	
Public safety	4,547
Law Library:	
Judicial	3,821
Multiple Grant:	
Judicial	176,095
Public works	825,988

These over-expenditures were funded by under-expenditures in other departments, unanticipated revenues, and opening fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2018, are summarized as follows:

Balances per statement of net position:		
Cash - Primary government	$	55,446,846
Investments - Primary government		6,805,092
Restricted assets:		
Cash - Primary government		3,446,256
Balances per statement of fiduciary net position:		
Cash - Agency funds		2,671,202
	$	68,369,396
Cash deposited with financial institutions	$	61,564,304
Certificates of deposit		73,704
Cash deposited with Georgia Fund 1		6,731,388
	$	68,369,396

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The local government investment pool, Georgia Fund 1, is operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. As of June 30, 2018, the investment in Georgia Fund 1 was rated AAAf by Standard & Poor's.

At June 30, 2018, the County had the following investments:

Investment	Maturities	Fair Value
Primary government:		
Georgia Fund 1	10-day weighted average	$ 6,731,388
Certificates of Deposit	12-month weighted average	73,704
		$ 6,805,092

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Fair value measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. Additionally, certificates of deposit are not subject to the fair value level disclosures. As a result, the County does not disclose its investment in the Georgia Fund 1 or certificates of deposit within the fair value hierarchy.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2018, all of the deposits of the County, Health Department, Industrial Development Authority, Library System, Recreation Commission, and Water Authority were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no specific investment policy in regards to custodial credit risk for investments.

NOTE 5. RECEIVABLES

Receivables at June 30, 2018, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	2017 SPLOST Fund	Capital Improvement Fund	Water Fund	Solid Waste Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Total
Receivables:								
Taxes	$ 1,051,983	$ -	$ -	$ -	$ -	$ 49,187	$ -	$ 1,101,170
Accounts	382,964	-	-	814,595	205,666	262,324	78	1,665,627
Other	957,675	1,038,000	71,153	135,759	-	1,696,005	-	3,898,592
Gross receivables	2,392,622	1,038,000	71,153	950,354	205,666	2,007,516	78	6,665,389
Less allowance for uncollectibles	-	-	-	-	-	-	-	-
Net total receivables	$ 2,392,622	$ 1,038,000	$ 71,153	$ 950,354	$ 205,666	$ 2,007,516	$ 78	$ 6,665,389

Property taxes attached as an enforceable lien on property as of January 1, 2017. Property taxes were levied on July 25, 2017, billed on August 22, 2017, with the first installment payable on or before October 20, 2017, and the final installment due December 20, 2017. The County bills and collects its own property taxes. Property taxes levied for 2017, are recorded as receivables, net of estimated uncollectibles.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 68,177,463	$ 260,252	$ -	$ -	$ 68,437,715
Construction in progress	11,481,705	14,332,020	(12,588,439)	(1,496,888)	11,728,398
Intangibles	33,402	-	-	-	33,402
Total	79,692,570	14,592,272	(12,588,439)	(1,496,888)	80,199,515
Capital assets being depreciated:					
Buildings and improvements	87,195,534	320,480	-	-	87,516,014
Machinery and equipment	32,207,915	2,005,460	(250,197)	1,496,888	35,460,066
Infrastructure	496,791,496	-	-	-	496,791,496
Total	616,194,945	2,325,940	(250,197)	1,496,888	619,767,576
Less accumulated depreciation for:					
Buildings and improvements	(39,151,857)	(2,919,216)	-	-	(42,071,073)
Machinery and equipment	(23,824,014)	(1,734,385)	211,521	-	(25,346,878)
Infrastructure	(452,526,999)	(7,169,203)	-	-	(459,696,202)
Total	(515,502,870)	(11,822,804)	211,521	-	(527,114,153)
Total capital assets, being depreciated, net	100,692,075	(9,496,864)	(38,676)	1,496,888	92,653,423
Governmental activities capital assets, net	$ 180,384,645	$ 5,095,408	$ (12,627,115)	$ -	$ 172,852,938

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the County's business-type activities for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated					
Land	$ 28,014,483	$ -	$ (2,011,091)	$ -	$ 26,003,392
Construction in progress	294,360	430,992	-	-	725,352
Intangibles	20,526	-	-	-	20,526
Total	28,329,369	430,992	(2,011,091)	-	26,749,270
Capital assets being depreciated:					
Buildings	28,577,694	-	-	-	28,577,694
Land improvements	11,232,538	-	-	-	11,232,538
Machinery and equipment	8,607,957	915,250	(26,200)	-	9,497,007
Water distribution system	8,838,064	-	-	-	8,838,064
Total	57,256,253	915,250	(26,200)	-	58,145,303
Less accumulated depreciation for:					
Buildings	(8,442,888)	(739,564)	-	(2,745)	(9,185,197)
Land improvements	(4,542,311)	(401,122)	-	2,745	(4,940,688)
Machinery and equipment	(6,706,089)	(446,567)	12,243	-	(7,140,413)
Infrastructure	(6,516,365)	(114,171)	-	-	(6,630,536)
Total	(26,207,653)	(1,701,424)	12,243	-	(27,896,834)
Capital assets being depreciated, net	31,048,600	(786,174)	(13,957)	-	30,248,469
Business-type activities capital assets, net	$ 59,377,969	$ (355,182)	$ (2,025,048)	$ -	$ 56,997,739

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 1,211,731
Judicial	52,829
Public safety	2,362,738
Public works	7,578,251
Health and welfare	5,728
Culture and recreation	611,527
Total depreciation expense - governmental activities	$ 11,822,804
Business-type activities:	
Water	$ 1,110,948
Solid Waste	573,598
Gaither's Plantation	16,878
Total depreciation expense - business-type activities	$ 1,701,424

NOTE 7. SHORT-TERM DEBT

On August 20, 2017, the Board of Commissioners approved a resolution authorizing a tax anticipation note for the borrowing of $1,500,000 at an interest rate of 2.174%. This note was repaid in November 2017.

	Beginning Balance	Additions	Deletions	Ending Balance
Tax Anticipation Note	$ -	$ 1,500,000	$ (1,500,000)	$ -

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES

Revenue Bonds:

Business-Type Activities

The County issues bonds where the County pledges revenues derived from the acquired or constructed assets to pay debt service. The County's revenue bonds outstanding as of June 30, 2018, are as follows:

Purpose	Interest Rate	Due Date	Amount
Purchase of Land	3.205%	2020	$ 960,000
Refunding of 2004 Bonds	2.200%	2024	13,475,000
Purchase of Real Property	2.000 - 4.150%	2042	10,015,000
Purchase of Real Property	2.000 - 5.000%	2043	12,250,000
			36,700,000
	Plus unamortized premiums		676,465
			$ 37,376,465

On July 17, 2010, the County issued revenue bonds (Series 2010). The proceeds of these bonds were used to finance the purchase of the remaining land for the Bear Creek Reservoir project. Interest on the bonds is 3.205%. Interest is payable semiannually on January 1 and July 1 of each year with principal payable annually beginning July 1, 2011, ranging from $245,000 to $330,000 through July 1, 2020.

On August 29, 2012, the County issued revenue bonds (Series 2012). The proceeds of these bonds were used to refund the Series 2004 bonds. Interest on the bonds is 2.20%. Interest is payable semiannually on January 1 and July 1 of each year with principal payable annually beginning July 1, 2013, ranging from $1,795,000 to $2,040,000 through July 1, 2024.

On August 10, 2017, the County issued revenue bonds (Series 2017A and Series 2017B). The proceeds of these bonds were used to finance the purchase of real property related to the landfill and waste drop-off convenience centers currently owned by the County and certain improvements to the landfill. Interest ranges from 2.00% to 5.00% on the Series 2017A bonds and from 2.00% to 4.15% on the Series 2017B bonds. Interest is payable semiannually on May 1 and November 1 of each year with principal payable annually beginning May 1, 2018, ranging from $285,000 to $620,000 through May 1, 2042 for the Series 2017A bonds and ranging from $150,000 to $1,325,000 through May 1, 2043 for the Series 2017B bonds.

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Revenue Bonds (Continued):

Business-Type Activities (Continued)

The estimated annual requirements to amortize the County's revenue bonds payable as of June 30, 2018, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ 2,695,000	$ 1,138,787	$ 3,833,787
2020	2,770,000	1,076,146	3,846,146
2021	2,825,000	1,011,886	3,836,886
2022	2,275,000	952,462	3,227,462
2023	2,335,000	899,411	3,234,411
2024-2028	9,215,000	3,382,566	12,597,566
2029-2033	4,190,000	2,409,736	6,599,736
2034-2038	5,005,000	1,598,403	6,603,403
2039-2043	5,390,000	565,446	5,955,446
Total	$ 36,700,000	$ 13,034,843	$ 49,734,843

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

General Obligation Bonds:

Governmental Activities

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds at June 30, 2018, consisted of the following:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Georgia Perimeter College	5.15%	15 years	2021	$ 2,550,000	$ 517,551

On December 29, 2005, the County issued general obligation bonds (Georgia Perimeter College, Series 2005). The proceeds of these bonds were used to assist GPC Foundation Real Estate Newton, LLC, a Georgia limited liability company, the sole member of which is Georgia Perimeter College, 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, 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. Interest on the bonds is 5.15%. Interest and principal in the amount of $20,472 are payable monthly beginning February 1, 2006.

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

General Obligation Bonds (Continued):

Governmental Activities (Continued)

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

Fiscal year ending June 30,	Principal	Interest
2019	$ 219,932	$ 25,730
2020	231,663	13,999
2021	65,956	2,564
	$ 517,551	$ 42,293

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Installment Sale Agreements:

Governmental Activities

The County entered into installment sale agreements for the purpose of financing the refunding of certificates of participation in order to take advantage of lower interest rates. Installment sale agreements at June 30, 2018, consisted of the following:

Purpose	Interest Rate	Due Date	Amount
Jail Improvement	1.88%	2019	$ 535,000
Administration Building	2.05%	2025	4,640,000
			$ 5,175,000

On May 30, 2012, the County entered into an installment sale agreement (Jail Improvement). The proceeds of this installment sale were used to refund the 2003 certificates of participation. Interest on the installment sale is 1.88%. Interest is payable semiannually on June 1 and December 1 with principal payable annually beginning June 1, 2012, ranging from $355,000 to $535,000 through 2019.

On September 22, 2015, the County entered into an installment sale agreement (Administration Building). The proceeds of this installment sale were used to refund the 2006 certificates of participation. Interest on the installment sale is 2.05%. Interest is payable semiannually on June 1 and December 1 with principal payable annually beginning December 1, 2015, ranging from $550,000 to $700,000 through 2025.

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Installment Sale Agreements (Continued):

Governmental Activities (Continued)

The installment sale agreement debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ 1,160,000	$ 93,743	$ 1,253,743
2020	635,000	75,799	710,799
2021	650,000	62,628	712,628
2022	665,000	49,149	714,149
2023	675,000	35,414	710,414
2024 and 2025	1,390,000	28,596	1,418,596
Total	$ 5,175,000	$ 345,329	$ 5,520,329

Other Long-Term Debt:

Governmental Activities

On September 27, 2016, the County entered into a financing agreement with First Security Finance, Inc. The note had an original balance of $14,440,098 and is being used to make various energy efficiency upgrades across many County facilities. Quarterly installment payments, including interest at 2.69%, begin in September 2018 and are payable over a 15-year period. As of June 30, 2018, the principal of this note was $14,392,674.

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Other Long-Term Debt (Continued):

Governmental Activities (Continued)

The County also incurred debt to the Georgia Environmental Facilities Authority for construction of further improvements to the technology park owned by the Four County Industrial Development Authority.

The County's notes outstanding as of June 30, 2018, are as follows:

Purpose	Interest Rate	Due Date	Amount
Energy Efficient Upgrades	2.69%	2033	$ 14,392,674
Four County Industrial Site	4.65%	2022	58,819
			$ 14,451,493

The estimated annual requirements to maturity for the County's note payable as of June 30, 2018, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ 576,518	385,813	$ 962,331
2020	641,003	369,611	1,010,614
2021	685,806	351,804	1,037,610
2022	732,567	332,763	1,065,330
2023	766,508	332,763	1,099,271
2024-2028	4,670,108	1,339,272	6,009,380
2029-2033	6,378,983	656,931	7,035,914
Total	$ 14,451,493	$ 3,768,957	$ 18,220,450

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Other Long-Term Debt (Continued):

Business-type Activities

The County has incurred debt to the Georgia Environmental Facilities Authority for the purchase of water reservoir and landfill equipment and expansion of the landfill. The County's notes outstanding as of June 30, 2018, are as follows:

Purpose	Interest Rate	Due Date	Amount
Water Fund	1.40%	2033	$ 635,268
Solid Waste Fund	1.39%	N/A	961,325
			$ 1,596,593

The $961,325 GEFA loan listed above is in the drawdown phase at June 30, 2018. Repayment will be determined when construction has been completed and all drawdowns have been made. This note is, therefore, not included in the maturity schedule shown below. The estimated annual requirements to maturity for the County's notes payable as of June 30, 2018, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ 37,863	8,651	$ 46,514
2020	38,396	8,118	46,514
2021	38,937	7,577	46,514
2022	39,486	7,028	46,514
2023	40,042	6,472	46,514
2024-2028	208,836	23,736	232,572
2029-2033	223,967	8,603	232,570
2034	7,741	14	7,755
Total	$ 635,268	$ 70,199	$ 705,467

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases:

Governmental Activities

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

The following is an analysis of assets leased under capital leases as of June 30, 2018:

Vehicles	$	400,316
Less accumulated depreciation		(257,346)
Net assets leased under capital leases	$	142,970

For the year ended June 30, 2018, depreciation expense related to assets leased under capital leases totaled $57,188.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2018:

Fiscal year ending June 30,		
2019	$	57,920
Total minimum lease payments		57,920
Less amount representing interest		(669)
Present value of future minimum lease payments	$	57,251

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Capital Leases:

Business-type Activities

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

The following is an analysis of assets leased under capital leases as of June 30, 2018:

Vehicles	$	689,000
Less accumulated depreciation		(34,450)
Net assets leased under capital leases	$	654,550

For the year ended June 30, 2018, depreciation expense related to assets leased under capital leases totaled $34,450.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2018:

Fiscal year ending June 30,		
2019	$	135,510
2020		135,510
2021		135,510
2022		135,510
2023		135,810
2024		100,000
Total minimum lease payments		777,850
Less amount representing interest		(88,850)
Present value of future minimum lease payments	$	689,000

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Changes in Long-Term Liabilities:

The following is a summary of long-term debt activity of the County's governmental activities for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 1,705,104	$ -	$ 1,187,553	$ 517,551	$ 219,932
Installment sale agreements	6,315,000	-	1,140,000	5,175,000	1,160,000
Notes payable	14,511,551	-	60,058	14,451,493	576,518
Capital lease obligations	131,752	-	74,501	57,251	57,251
Net pension liability	2,788,504	524,194	854,236	2,458,462	-
Claims and judgments payable	10,000,000	-	10,000,000	-	-
Compensated absences	1,596,225	1,562,029	1,029,636	2,128,618	212,862
	$ 37,048,136	$ 2,086,223	$ 14,345,984	$ 24,788,375	$ 2,226,563

For governmental activities, net pension liability, claims and judgments payable, and compensated absences are generally liquidated by the General Fund.

NOTE 8. LONG-TERM DEBT AND CAPITAL LEASES (CONTINUED)

Changes in Long-Term Liabilities (Continued):

The following is a summary of long-term debt activity of the County's business-type activities for the year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	$ 16,640,000	$ 22,730,000	$ 2,670,000	$ 36,700,000	$ 2,695,000
Deferred bond premium	-	676,465	-	676,465	-
Total bonds payable	16,640,000	23,406,465	2,670,000	37,376,465	2,695,000
Notes payable	3,924,063	961,325	3,288,795	1,596,593	37,863
Capital lease obligations	-	689,000	-	689,000	106,290
Landfill post-closure costs	15,160,000	-	1,972,453	13,187,547	-
Net pension liability	399,478	255,092	168,801	485,769	-
	$ 36,123,541	$ 25,311,882	$ 8,100,049	$ 53,335,374	$ 2,839,153

For business-type activities, net pension liability, claims and judgments payable, and compensated absences are liquidated by the related Proprietary Fund.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables as of June 30, 2018, are as follows:

Receivable Fund	Payable Fund: Nonmajor Governmental Funds
General Fund	$ 30

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

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

Interfund transfers for the year ended June 30, 2018, are as follows:

	Transfers Out					
Transfers In	General Fund	2011 SPLOST Fund	Water Fund	Solid Waste Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 4,824	$ 10,000,000	$ 1,071,155	$ 11,075,979
Capital Improvement Fund	771,996	-	-	-	-	771,996
2011 SPLOST Fund	-	-	-	-	2,739	2,739
Nonmajor Governmental Funds	1,237,526	-	-	305	128,646	1,366,477
Solid Waste Fund	151,249	242,725	-	-	-	393,974
Nonmajor Enterprise Funds	199,456	-	676	-	-	200,132
Total	$ 2,360,227	$ 242,725	$ 5,500	$ 10,000,305	$ 1,202,540	$ 13,811,297

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

NOTE 10. DEFINED BENEFIT PENSION PLANS

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Newton County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The County stopped accepting new entrants in the Plan in 1997, and the Plan continues to be closed to new entrants. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com, by writing to Association of County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2017, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	81
Inactive plan member entitled to but not receiving benefits	66
Active plan members	31
	178

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. No contributions are required of or permitted by participants of the Plan. For the year ended June 30, 2018, the County's contribution rate was 24.1% of annual payroll. County contributions to the Plan were $426,561 for the year ended June 30, 2018.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2017, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2017.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.50% to 2.00%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for February 2014.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017, are summarized in the following table:

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

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

Discount Rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County: The changes in the components of the net pension liability of the County for the year ended June 30, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	$ 7,009,421	$ 3,386,714	$ 3,622,707
Changes for the year:			
Service cost	9,769	-	9,769
Interest	484,913	-	484,913
Differences between expected and actual experience	(147,423)	-	(147,423)
Assumption changes	13,061	-	13,061
Contributions - employer	-	426,561	(426,561)
Net investment income	-	514,353	(514,353)
Benefit payments, including refunds of employee contributions	(641,932)	(641,932)	-
Administrative expenses	-	(11,889)	11,889
Other changes	-	(78,159)	78,159
Net changes	(281,612)	208,934	(490,546)
Balances at June 30, 2018	$ 6,727,809	$ 3,595,648	$ 3,132,161

Governmental Activities	$ 2,458,462
Business-Type Activities	485,769
Newton County Water and Sewerage Authority	187,930
	$ 3,132,161

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
County's proportionate share of the net pension liability	$ 3,422,783	$ 2,944,231	$ 2,522,951
Newton County Water and Sewerage's proportionate share of the net pension liability	218,475	187,930	161,039
Total net pension liability	$ 3,641,258	$ 3,132,161	$ 2,683,990

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2017, and the current sharing pattern of costs between employer and employee.

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2018, the County recognized pension expense of $319,614. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	Governmental Activities	Business-Type Activities	Newton County Water and Sewerage Authority	Total
Changes in assumptions	$ 932	$ 184	$ 71	$ 1,187
Total	$ 932	$ 184	$ 71	$ 1,187

	Deferred Inflows of Resources			
	Governmental Activities	Business-Type Activities	Newton County Water and Sewerage Authority	Total
Differences between expected and actual experience	$ 10,519	$ 2,079	$ 5,962	$ 18,560
Net difference between projected and actual earnings on pension plan investments	77,990	15,409	804	94,203
Total	$ 88,509	$ 17,488	$ 6,766	$ 112,763

NOTE 10. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,		
2019	$	(9,220)
2020		775
2021		(49,402)
2022		(53,729)
Total	$	(111,576)

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 County has joined together with other municipalities in the state as part of the Group Self Insurance Workers' Compensation Fund (GSIWCF) for its workers' compensation risks. GSIWCF exists by authority of the Official Code of Georgia (OCGA), and participates in risk sharing arrangements among Georgia county governments. The membership allows the County to share liability, crime, workers' compensation, motor vehicle and property damage risks.

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

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

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

The County retains the first $300,000 (in the form of a deductible) on its workers' compensation claims, and retains the first $10,000 (in the form of a deductible) of each risk of loss for all other property and liability losses. The County files all claims with GSIWCF and this instrumentality bills the County for any risk of loss up to the deductible amounts.

The basis for estimating the liabilities for unpaid claims is an incurred, but not reported, calculation as established by an actuary. The County has no such liability as of June 30, 2018 based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

NOTE 12. LANDFILL CLOSURE AND POST-CLOSURE CARE

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs,* requires the County to report a liability for the estimated costs of closing and maintaining each landfill site.

NOTE 12. LANDFILL CLOSURE AND POST-CLOSURE CARE (CONTINUED)

Municipal Solid Waste Landfill (MSWL-2)

The County began operations at this site in 1998. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, which is expected to occur in 2106, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of the balance sheet date. The landfill closure and post-closure care liability at June 30, 2018 of $13,187,547 is reported in the Solid Waste Fund and represents the cumulative amount reported to date based on the use of approximately 17.3% of the estimated capacity of the landfill. This liability includes corrective action costs of $10,724,063. The County will recognize the remaining estimated cost of closure and post-closure care of $11,771,878 as the remaining estimated capacity is filled.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual 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 $457,972.

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County. Net of an aggregation of insurance coverage currently in place, and relative to any and all outstanding litigation faced by the County as of June 30, 2018, it is considered to be unlikely for the County to incur any obligation.

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 14. JOINT VENTURES

Northeast Georgia Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 12-county Northeast Georgia region, is a member of the Northeast Georgia Regional Commission (NGRC) and is required to pay annual dues thereto. During its year ended June 30, 2018, the County paid $88,459 in such dues. Membership in the NGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30610

Joint Development Authority

During the latter half of 1998, the Joint 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, to 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 Joint Development Authority can be obtained by writing to the Joint Development Authority, C/O Madison-Morgan Chamber of Commerce, 118 North Main Street, Madison, Georgia 30650.

NOTE 15. SUBSEQUENT EVENTS

On October 4, 2018, the County issued General Obligation Sales Tax Bonds, Series 2018, in the amount of $12,650,000. The proceeds of the Bonds will be used for the purpose of paying a portion of the costs of the County's capital outlay projects approved in the March 21, 2017 referendum and the costs of issuing the Bonds. Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year until maturity, beginning February 1, 2019. Principal of the Bonds will be payable annually on August 1, beginning in 2019.

On October 5, 2018, the Georgia Environmental Finance Authority approved a loan in the amount of $23,289,000 for modifications and improvements to pump stations, water treatment plants and related appurtenances. The County will pay 1.25% interest on the 20 year loan.

REQUIRED SUPPLEMENTARY INFORMATION

NEWTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
FOR THE FISCAL YEARS ENDED JUNE 30,

	2018	2017	2016	2015
Total pension liability				
Service cost	**$ 9,769**	$ 11,417	$ 11,644	$ 13,639
Interest on total pension liability	**484,913**	489,396	456,810	466,804
Differences between expected and actual experience	**(147,423)**	167,956	370,120	-
Changes of assumptions	**13,061**	126,498	211,474	-
Benefit payments, including refunds of employee contributions	**(641,932)**	(622,244)	(608,903)	(618,500)
Net change in total pension liability	**(281,612)**	173,023	441,145	(138,057)
Total pension liability - beginning	**7,009,421**	6,836,398	6,395,253	6,533,310
Total pension liability - ending (a)	**$ 6,727,809**	$ 7,009,421	$ 6,836,398	$ 6,395,253
Plan fiduciary net position				
Contributions - employer	**$ 426,561**	$ 429,439	$ 390,488	$ 373,938
Net investment income	**514,353**	233,018	7,825	237,069
Benefit payments, including refunds of employee contributions	**(641,932)**	(622,244)	(608,903)	(618,500)
Administrative expenses	**(11,889)**	(16,986)	(13,980)	(14,404)
Other	**(78,159)**	(34,539)	(33,953)	(37,341)
Net change in fiduciary net position	**208,934**	(11,312)	(258,523)	(59,238)
Plan fiduciary net position - beginning	**3,386,714**	3,398,026	3,656,549	3,715,787
Plan fiduciary net position - ending (b)	**$ 3,595,648**	$ 3,386,714	$ 3,398,026	$ 3,656,549
County's net pension liability - ending (a) - (b)	**$ 3,132,161**	$ 3,622,707	$ 3,438,372	$ 2,738,704

(Continued)

NEWTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
FOR THE FISCAL YEARS ENDED JUNE 30,

	2018	2017	2016	2015
Plan fiduciary net position as a percentage of total pension liability	**53.44%**	48.32%	49.70%	57.18%
Covered-employee payroll	**$ 1,768,390**	$ 2,058,638	$ 2,154,353	$ 2,312,088
County's net pension liability as a percentage of covered-employee payroll	**177.12%**	175.98%	159.60%	118.45%

Notes to the Schedule

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

NEWTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,

	2018	2017	2016	2015
Actuarially determined contribution	**$ 413,409**	$ 388,402	$ 345,737	$ 319,115
Contributions in relation to the actuarially determined contribution	**426,561**	429,439	390,488	373,365
Contribution deficiency (excess)	**$ (13,152)**	$ (41,037)	$ (44,751)	$ (54,250)
Covered-employee payroll	**1,613,447**	1,913,514	2,106,496	2,233,221
Contributions as a percentage of covered-employee payroll	**26.44%**	22.44%	18.54%	16.72%

Notes to the Schedule

(1) Actuarial Assumptions

Valuation date	January 1, 2017
Cost method	Entry Age Normal
Actuarial asset valuation method	Smoothed market value with a 5-year smoothing period
Assumed rate of return on investments	7.25%
Projected salary increases	2.00% - 4.50%
Amortization method	Closed level dollar for unfunded liability
Remaining amortization period	None remaining

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Juvenile Trust Fund – This fund is used to account for certain fines received through juvenile court that are used for juvenile counseling services.

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

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

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

Fire Districts Fund – This fund is used to account for the tax revenues approved to help fund the fire protection program of the County.

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

Sheriff Special Revenue Fund – This fund is used to account for monies for inmates at the Law Enforcement Center.

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

District Attorney Fund – This fund is used to account for funds received from certain fines and grants for the operation of a victim assistance program.

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

Real Estate Grant Fund – This fund is used to account for grants received from the Clerks Authority of Georgia for the advancement of reporting with the Clerk of Superior Court.

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

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

Senior Services Fund – This fund is used to account for the services provided to the elderly of the County, such as nutritional needs, transportation needs and recreational activities.

Debt Service Fund

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

Capital Projects Funds

FEMA Grant Fund – This fund is used to account for the federal grant monies received from the Federal Emergency Management Association.

2005 SPLOST Fund – This fund is used to account for the revenues and expenditures relating to the 2005 1% Special Purpose Local Option Sales Tax.

NEWTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue					
ASSETS	**Juvenile Trust**	**Forfeited Funds**	**Drug Rehab/ Education**	**Seized Funds**	**Fire Districts**	**County Jail Fund**
Cash and cash equivalents	$ 134,801	$ 297,708	$ 350,708	$ 77,934	$ 1,719,763	$ 432,283
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	49,187	-
Due from other governments	-	-	4,092	-	756	8,749
Total assets	$ 134,801	$ 297,708	$ 354,800	$ 77,934	$ 1,769,706	$ 441,032
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ 6,102	$ 77,934	$ 797	$ 1,200
Due to other governments	-	-	-	-	-	-
Due to other funds	-	30	-	-	-	-
Total liabilities	-	30	6,102	77,934	797	1,200
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - period of availability	-	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	43,323	-
Total deferred inflows of resources	-	-	-	-	43,323	-
FUND BALANCES (DEFICIT)						
Restricted						
General government	-	-	-	-	-	-
Judicial	134,801	-	-	-	-	-
Public safety	-	297,678	348,698	-	1,725,586	439,832
Health and welfare	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned						
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	134,801	297,678	348,698	-	1,725,586	439,832
Total liabilities, deferred inflows of resources and fund balances	$ 134,801	$ 297,708	$ 354,800	$ 77,934	$ 1,769,706	$ 441,032

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

ASSETS	Special Revenue					
	Sheriff Special Revenue	Law Library	District Attorney	Multiple Grant	Real Estate Grant	NSP Grant
Cash and cash equivalents	$ 37,637	$ 16,269	$ 195,418	$ 627,672	$ 81,432	$ 31,534
Investments	-	73,704	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	517,326	-	-
Total assets	$ 37,637	$ 89,973	$ 195,418	$ 1,144,998	$ 81,432	$ 31,534
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ 485,585	$ -	$ -
Due to other governments	-	-	-	53,665	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	539,250	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - period of availability	-	-	-	181,250	-	-
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	181,250	-	-
FUND BALANCES (DEFICIT)						
Restricted						
General government	-	-	-	388,804	-	31,534
Judicial	-	89,973	195,418	170,338	81,432	-
Public safety	37,637	-	-	122,877	-	-
Health and welfare	-	-	-	29,930	-	-
Capital projects	-	-	-	-	-	-
Assigned						
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	(287,451)	-	-
Total fund balances (deficits)	37,637	89,973	195,418	424,498	81,432	31,534
Total liabilities, deferred inflows of resources and fund balances	$ 37,637	$ 89,973	$ 195,418	$ 1,144,998	$ 81,432	$ 31,534

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue		Debt Service	Capital Projects		
ASSETS	**E-911**	**Senior Services**	**Debt Service Fund**	**FEMA Grant Fund**	**2005 SPLOST Fund**	**Total**
Cash and cash equivalents	$ 184,602	$ -	$ 131,604	$ -	$ 2,491,764	$ 6,811,129
Investments	-	-	-	-	-	73,704
Accounts receivable	262,324	-	-	-	-	311,511
Due from other governments	9,170	-	-	1,155,912	-	1,696,005
Total assets	$ 456,096	$ -	$ 131,604	$ 1,155,912	$ 2,491,764	$ 8,892,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 464,362	$ -	$ -	$ 589,787	$ 263	$ 1,626,030
Due to other governments	-	-	-	-	-	53,665
Due to other funds	-	-	-	-	-	30
Total liabilities	464,362	-	-	589,787	263	1,679,725
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - period of availability	-	-	-	1,000,348	-	1,181,598
Unavailable revenue - property taxes	-	-	-	-	-	43,323
Total deferred inflows of resources	-	-	-	1,000,348	-	1,224,921
FUND BALANCES (DEFICIT)						
Restricted						
General government	-	-	-	-	-	420,338
Judicial	-	-	-	-	-	671,962
Public safety	-	-	-	-	-	2,972,308
Health and welfare	-	-	-	-	-	29,930
Capital projects	-	-	-	-	2,491,501	2,491,501
Assigned						
Debt service	-	-	131,604	-	-	131,604
Unassigned	(8,266)	-	-	(434,223)	-	(729,940)
Total fund balances (deficits)	(8,266)	-	131,604	(434,223)	2,491,501	5,987,703
Total liabilities, deferred inflows of resources and fund balances	$ 456,096	$ -	$ 131,604	$ 1,155,912	$ 2,491,764	$ 8,892,349

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue					
	Juvenile Trust	Forfeited Funds	Drug Rehab/ Education	Seized Funds	Fire Districts	County Jail Fund
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ 1,837,255	$ -
Intergovernmental	-	-	-	-	5,403	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	9,778	224,120	117,763	-	-	208,887
Investment income	80	25	183	-	1,116	242
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	9,858	224,145	117,946	-	1,843,774	209,129
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	825	-	-	-	-	-
Public safety	-	215,418	45,875	-	10,806	111,217
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	74,501	-
Interest	-	-	-	-	2,728	-
Total expenditures	825	215,418	45,875	-	88,035	111,217
Excess (deficiency) of revenues over (under) expenditures	9,033	8,727	72,071	-	1,755,739	97,912
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,199,801)	-
Total other financing sources (uses)	-	-	-	-	(1,199,801)	-
Net change in fund balances	9,033	8,727	72,071	-	555,938	97,912
Fund balances (deficits), beginning of year	125,768	288,951	276,627	-	1,169,648	341,920
Fund balances (deficits), end of year	$ 134,801	$ 297,678	$ 348,698	$ -	$ 1,725,586	$ 439,832

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue					
	Sheriff Special Revenue	Law Library	District Attorney	Multiple Grant	Real Estate Grant	NSP Grant
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	2,881,552	-	6,710
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	47,038	124,270	-	-	-
Investment income	-	187	9	1,168	-	26
Contributions	44,739	-	-	-	-	-
Miscellaneous	-	-	-	74,621	140	-
Total revenues	44,739	47,225	124,279	2,957,341	140	6,736
Expenditures						
Current:						
General government	-	-	-	104,986	-	-
Judicial	-	43,921	65,007	1,405,579	-	-
Public safety	41,047	-	-	182,892	-	-
Public works	-	-	-	1,675,628	-	-
Health and welfare	-	-	-	67,614	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	41,047	43,921	65,007	3,436,699	-	-
Excess (deficiency) of revenues over (under) expenditures	3,692	3,304	59,272	(479,358)	140	6,736
Other financing sources (uses)						
Transfers in	-	-	-	276,988	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	276,988	-	-
Net change in fund balances	3,692	3,304	59,272	(202,370)	140	6,736
Fund balances (deficits), beginning of year	33,945	86,669	136,146	626,868	81,292	24,798
Fund balances (deficits), end of year	$ 37,637	$ 89,973	$ 195,418	$ 424,498	$ 81,432	$ 31,534

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue		Debt Service	Capital Projects		
	E-911	Senior Services	Debt Service Fund	FEMA Grant Fund	2005 SPLOST Fund	Total
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 1,837,255
Intergovernmental	-	-	15,644	155,563	-	3,064,872
Charges for services	1,728,837	-	-	-	-	1,728,837
Fines and forfeitures	-	-	-	-	-	731,856
Investment income	192	-	149	-	2,251	5,628
Contributions	-	-	-	-	-	44,739
Miscellaneous	142	-	-	-	-	74,903
Total revenues	1,729,171	-	15,793	155,563	2,251	7,488,090
Expenditures						
Current:						
General government	-	-	-	-	-	104,986
Judicial	-	-	-	-	-	1,515,332
Public safety	2,679,164	-	-	-	-	3,286,419
Public works	-	-	-	-	-	1,675,628
Health and welfare	-	61,938	-	-	-	129,552
Capital outlay	-	-	-	431,371	386,866	818,237
Debt service:						
Principal	-	-	12,634	-	610,000	697,135
Interest	-	-	3,011	-	101,025	106,764
Total expenditures	2,679,164	61,938	15,645	431,371	1,097,891	8,334,053
Excess (deficiency) of revenues over (under) expenditures	(949,993)	(61,938)	148	(275,808)	(1,095,640)	(845,963)
Other financing sources (uses)						
Transfers in	941,590	99,376	-	48,523	-	1,366,477
Transfers out	-	-	-	(2,739)	-	(1,202,540)
Total other financing sources (uses)	941,590	99,376	-	45,784	-	163,937
Net change in fund balances	(8,403)	37,438	148	(230,024)	(1,095,640)	(682,026)
Fund balances (deficits), beginning of year	137	(37,438)	131,456	(204,199)	3,587,141	6,669,729
Fund balances (deficits), end of year	$ (8,266)	$ -	$ 131,604	$ (434,223)	$ 2,491,501	$ 5,987,703

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Juvenile Trust			Forfeited Funds		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	16,000	9,778	(6,222)	120,000	224,120	104,120
Investment income	100	80	(20)	30	25	(5)
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	16,100	9,858	(6,242)	120,030	224,145	104,115
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	16,100	825	15,275	-	-	-
Public safety	-	-	-	120,030	215,418	(95,388)
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	16,100	825	15,275	120,030	215,418	(95,388)
Excess (deficiency) of revenues over (under) expenditures	-	9,033	9,033	-	8,727	8,727
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	9,033	9,033	-	8,727	8,727
Fund balances (deficits), beginning of year	125,768	125,768	-	288,951	288,951	-
Fund balances (deficits), end of year	$ 125,768	$ 134,801	$ 9,033	$ 288,951	$ 297,678	$ 8,727

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Drug Rehab/Education			Fire Districts		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ 1,743,900	$ 1,837,255	$ 93,355
Intergovernmental	-	-	-	-	5,403	5,403
Charges for services	-	-	-	-	-	-
Fines and forfeitures	100,000	117,763	17,763	-	-	-
Investment income	100	183	83	-	1,116	1,116
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	100,100	117,946	17,846	1,743,900	1,843,774	99,874
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	100,100	45,875	54,225	213,193	10,806	202,387
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	74,501	74,501	-
Interest and fiscal charges	-	-	-	2,728	2,728	-
Total expenditures	100,100	45,875	54,225	290,422	88,035	202,387
Excess (deficiency) of revenues over (under) expenditures	-	72,071	72,071	1,453,478	1,755,739	302,261
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(1,199,801)	(1,199,801)	-
Total other financing sources (uses)	-	-	-	(1,199,801)	(1,199,801)	-
Net change in fund balances	-	72,071	72,071	253,677	555,938	302,261
Fund balances (deficits), beginning of year	276,627	276,627	-	1,169,648	1,169,648	-
Fund balances (deficits), end of year	$ 276,627	$ 348,698	$ 72,071	$ 1,423,325	$ 1,725,586	$ 302,261

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	County Jail Fund			Sheriff Special Revenue		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	180,000	208,887	28,887	-	-	-
Investment income	331	242	(89)	-	-	-
Contributions	-	-	-	36,500	44,739	8,239
Miscellaneous	-	-	-	-	-	-
Total revenues	180,331	209,129	28,798	36,500	44,739	8,239
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	180,331	111,217	69,114	36,500	41,047	(4,547)
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	180,331	111,217	69,114	36,500	41,047	(4,547)
Excess (deficiency) of revenues over (under) expenditures	-	97,912	97,912	-	3,692	3,692
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	97,912	97,912	-	3,692	3,692
Fund balances (deficits), beginning of year	341,920	341,920	-	33,945	33,945	-
Fund balances (deficits), end of year	$ 341,920	$ 439,832	$ 97,912	$ 33,945	$ 37,637	$ 3,692

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Law Library			District Attorney		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	15,000	-	(15,000)
Charges for services	-	-	-	-	-	-
Fines and forfeitures	40,000	47,038	7,038	100,000	124,270	24,270
Investment income	100	187	87	20	9	(11)
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	40,100	47,225	7,125	115,020	124,279	9,259
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	40,100	43,921	(3,821)	115,020	65,007	50,013
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	40,100	43,921	(3,821)	115,020	65,007	50,013
Excess (deficiency) of revenues over (under) expenditures	-	3,304	3,304	-	59,272	59,272
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	3,304	3,304	-	59,272	59,272
Fund balances (deficits), beginning of year	86,669	86,669	-	136,146	136,146	-
Fund balances (deficits), end of year	$ 86,669	$ 89,973	$ 3,304	$ 136,146	$ 195,418	$ 59,272

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Multiple Grant			Real Estate Grant		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	3,473,098	2,881,552	(591,546)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	-	1,168	1,168	-	-	-
Contributions	-	-	-	-	-	-
Miscellaneous	43,000	74,621	31,621	-	140	140
Total revenues	3,516,098	2,957,341	(558,757)	-	140	140
Expenditures						
Current:						
General government	1,178,566	104,986	1,073,580	-	-	-
Judicial	1,229,484	1,405,579	(176,095)	-	-	-
Public safety	354,942	182,892	172,050	-	-	-
Public works	849,640	1,675,628	(825,988)	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	106,492	67,614	38,878	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	3,719,124	3,436,699	282,425	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(203,026)	(479,358)	(276,332)	-	140	140
Other financing sources (uses)						
Transfers in	123,508	276,988	153,480	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	123,508	276,988	153,480	-	-	-
Net change in fund balances	(79,518)	(202,370)	(122,852)	-	140	140
Fund balances (deficits), beginning of year	626,868	626,868	-	81,292	81,292	-
Fund balances (deficits), end of year	$ 547,350	$ 424,498	$ (122,852)	$ 81,292	$ 81,432	$ 140

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	NSP Grant			E-911		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	12,000	6,710	(5,290)	-	-	-
Charges for services	-	-	-	1,888,399	1,728,837	(159,562)
Fines and forfeitures	-	-	-	-	-	-
Investment income	10	26	16	-	192	192
Contributions	-	-	-	-	-	-
Miscellaneous	-	-	-	-	142	142
Total revenues	12,010	6,736	(5,274)	1,888,399	1,729,171	(159,228)
Expenditures						
Current:						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	2,829,989	2,679,164	150,825
Public works	-	-	-	-	-	-
Housing and development	12,010	-	12,010	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	12,010	-	12,010	2,829,989	2,679,164	150,825
Excess (deficiency) of revenues over (under) expenditures	-	6,736	6,736	(941,590)	(949,993)	(8,403)
Other financing sources (uses)						
Transfers in	-	-	-	941,590	941,590	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	941,590	941,590	-
Net change in fund balances	-	6,736	6,736	-	(8,403)	(8,403)
Fund balances (deficits), beginning of year	24,798	24,798	-	137	137	-
Fund balances (deficits), end of year	$ 24,798	$ 31,534	$ 6,736	$ 137	$ (8,266)	$ (8,403)

(Continued)

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Senior Services		
	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	-	-	-
Expenditures			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Public works	-	-	-
Housing and development	-	-	-
Health and welfare	100,000	61,938	38,062
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	100,000	61,938	38,062
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(61,938)	38,062
Other financing sources (uses)			
Transfers in	100,000	99,376	(624)
Transfers out	-	-	-
Total other financing sources (uses)	100,000	99,376	(624)
Net change in fund balances	-	37,438	37,438
Fund balances (deficits), beginning of year	(37,438)	(37,438)	-
Fund balances (deficits), end of year	$ (37,438)	$ -	$ 37,438

NEWTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ -	$ 15,644	$ 15,644
Investment income	-	149	149
Total revenues	-	15,793	15,793
Expenditures			
Debt service:			
Principal	3,593,324	12,634	3,580,690
Interest and fiscal charges	142,092	3,011	139,081
Total expenditures	3,735,416	15,645	3,719,771
Excess (deficiency) of revenues over (under) expenditures	(3,735,416)	148	3,735,564
Other financing sources			
Transfers in	3,735,416	-	(3,735,416)
Total other financing sources	3,735,416	-	(3,735,416)
Net change in fund balances	-	148	148
Fund balance, beginning of year	131,456	131,456	-
Fund balance, end of year	$ 131,456	$ 131,604	$ 148

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2005 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost	Other Estimated Funding Sources	Current Estimated Cost	Prior Years	Current Year	Total
Roads	$ 20,000,000	$ 5,202,499	$ 25,202,499	$ 23,508,891	$ 386,866	$ 23,895,757
Mechanic Shop	2,000,000	125	2,000,125	1,960,491	-	1,960,491
Landfill	3,700,000	-	3,700,000	3,735,239	-	3,735,239
Civic Center	5,000,000	-	5,000,000	5,000,000	-	5,000,000
Radio Communication	6,000,000	5,149,139	11,149,139	11,047,213	-	11,047,213
Data Communication	1,625,000	-	1,625,000	1,636,159	-	1,636,159
Detention Center	3,600,000	-	3,600,000	3,543,798	-	3,543,798
County Office Complex	5,000,000	16,156,928	21,156,928	17,395,220	711,025	18,106,245
Community Building	500,000	56,300	556,300	559,303	-	559,303
Judicial Center Parking	265,000	800	265,800	523,517	-	523,517
Cousins Gym	500,000	-	500,000	478,459	-	478,459
Historic Jail	500,000	3,900	503,900	493,992	-	493,992
Land Acquisition	1,000,000	-	1,000,000	1,264,090	-	1,264,090
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	33,930,470	37,540,472	39,064,399	-	39,064,399
	$ 58,800,000	$ 60,500,161	$ 119,300,161	$ 115,710,769	$ 1,097,891	$ 116,808,660

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2011 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost	Other Estimated Funding Sources	Current Estimated Cost	Prior Years	Current Year	Total
Transportation/Roads	$ 17,280,860	$ 105,250	$ 17,386,110	$ 10,954,025	$ 1,480,774	$ 12,434,799
Detention Center	3,000,000	-	3,000,000	2,466,368	540,011	3,006,379
Administrative Building	5,000,000	-	5,000,000	5,007,880	-	5,007,880
Judicial Expansion	7,000,000	-	7,000,000	2,646,268	8,460,999	11,107,267
Recreation: Parks and Facilities	1,000,000	35,485	1,035,485	956,313	72,047	1,028,360
Recreation: Miracle Field	1,500,000	1,297,230	2,797,230	2,719,877	12,250	2,732,127
District 4 Recreation	500,000	-	500,000	364,531	98,054	462,585
District 4 Multi-Use	545,000	-	545,000	540,465	-	540,465
Cemetery Land	55,000	-	55,000	963	40,473	41,436
Animal Control Facility	100,000	-	100,000	1,805	94,913	96,718
Juvenile Court	500,000	-	500,000	146,871	375,538	522,409
Historic Jail	1,200,000	-	1,200,000	200	52,287	52,487
Agricultural Center	1,100,000	16,900	1,116,900	1,123,126	107,347	1,230,473
Fire Station #8	1,100,000	-	1,100,000	1,450	7,139	8,589
Emergency Room Expansion	4,000,000	-	4,000,000	-	2,343,547	2,343,547
Landfill	500,000	-	500,000	50,001	242,725	292,726
Public Works	500,000	337,492	837,492	821,303	16,188	837,491
Fleet Replacement	2,500,000	1,250,000	3,750,000	3,698,610	37,860	3,736,470
Fire Services Equipment	100,000	-	100,000	77,474	-	77,474
City Projects:						
Oxford	1,450,905	-	1,450,905	1,450,905	-	1,450,905
Porterdale	977,882	-	977,882	977,882	-	977,882
Newborn	396,714	-	396,714	396,714	-	396,714
Covington	8,798,999	-	8,798,999	8,798,999	-	8,798,999
Mansfield	298,077	-	298,077	298,077	-	298,077
	$ 59,403,437	$ 3,042,357	$ 62,445,794	$ 43,500,107	$ 13,982,152	$ 57,482,259
Transfers from 2011 SPLOST funds for repayment of principal and interest on Solid Waste Authority debt.				-	(242,725)	
Total 2011 SPLOST Fund expenditures for the current fiscal year				$ 43,500,107	$ 13,739,427	

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
2017 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost	Other Estimated Funding Sources	Current Estimated Cost	Prior Years	Current Year	Total
Transportation	$ 18,330,793	$ -	$ 18,330,793	$ -	$ -	$ -
Debt Service	10,403,963	750,000	11,153,963	-	1,250,294	1,250,294
E911 Communication Co-occupied	3,666,159	-	3,666,159	-	-	-
Westside Youth Facility	495,427	-	495,427	-	-	-
Senior Expansion	1,783,537	-	1,783,537	-	-	-
Recreaton Department Existing Facilities	990,854	-	990,854	-	-	-
District 2 Improvements	495,426	-	495,426	-	-	-
Springhill Park Facility	495,426	-	495,426	-	-	-
Porterdale Park Upgrades	148,628	-	148,628	-	-	-
District 4 Existing Park Upgrades	495,427	-	495,427	-	-	-
Chimney Park	99,085	-	99,085	-	-	-
Yellow River Trail	1,337,652	-	1,337,652	-	-	-
Library	495,427	-	495,427	-	-	-
Animal Control Facility and Equipment	1,199,488	-	1,199,488	-	-	-
Washington Street	495,427	-	495,427	-	-	-
Sheriff's Office Upgrade	2,972,561	-	2,972,561	-	-	-
Solid Waste	1,387,195	-	1,387,195	-	-	-
Fleet Replacement	3,467,988	-	3,467,988	-	226,182	226,182
Fire Services	792,683	-	792,683	-	-	-
Economic Development (IDA)	990,854	-	990,854	-	-	-
City Projects:						
Oxford	1,500,965	-	1,500,965	-	273,082	273,082
Porterdale	2,436,714	-	2,436,714	-	443,324	443,324
Newborn	507,000	-	507,000	-	92,253	92,253
Covington	9,425,761	-	9,425,761	-	1,714,914	1,714,914
Mansfield	385,560	-	385,560	-	70,148	70,148
	$ 64,800,000	$ 750,000	$ 65,550,000	$ -	$ 4,070,197	$ 4,070,197

AGENCY FUNDS

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

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

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

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Juvenile Court	Total
Cash and cash equivalents	$ 1,617,274	$ 891,152	$ 68,243	$ 24,483	$ 69,407	$ 643	$ 2,671,202
Taxes receivable	3,124,403	-	-	-	-	-	3,124,403
Total assets	$ 4,741,677	$ 891,152	$ 68,243	$ 24,483	$ 69,407	$ 643	$ 5,795,605
LIABILITIES							
Due to others	$ 4,741,677	$ 891,152	$ 68,243	$ 24,483	$ 69,407	$ 643	$ 5,795,605
Total liabilities	$ 4,741,677	$ 891,152	$ 68,243	$ 24,483	$ 69,407	$ 643	$ 5,795,605

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 1,722,116	$ 62,068,014	$ 62,172,856	$ 1,617,274
Taxes receivable	2,552,922	93,866,428	93,294,947	3,124,403
	$ 4,275,038	$ 155,934,442	$ 155,467,803	$ 4,741,677
LIABILITIES				
Due to others	$ 4,275,038	$ 50,341,131	$ 49,874,492	$ 4,741,677
	$ 4,275,038	$ 50,341,131	$ 49,874,492	$ 4,741,677
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 827,793	$ 2,988,246	$ 2,924,887	$ 891,152
LIABILITIES				
Due to others	$ 827,793	$ 2,988,246	$ 2,924,887	$ 891,152
	$ 827,793	$ 2,988,246	$ 2,924,887	$ 891,152

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 6,217	$ 312,125	$ 250,099	$ 68,243
LIABILITIES				
Due to others	$ 6,217	$ 312,125	$ 250,099	$ 68,243
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 42,770	$ 428,088	$ 446,375	$ 24,483
LIABILITIES				
Due to others	$ 42,770	$ 428,088	$ 446,375	$ 24,483
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 32,259	$ 1,267,382	$ 1,230,234	$ 69,407
LIABILITIES				
Due to others	$ 32,259	$ 1,267,382	$ 1,230,234	$ 69,407

(Continued)

NEWTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
JUVENILE COURT				
ASSETS				
Cash and cash equivalents	$ 16	$ 6,324	$ 5,697	$ 643
LIABILITIES				
Due to others	$ 16	$ 6,324	$ 5,697	$ 643
TOTAL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 2,631,171	$ 67,070,179	$ 67,030,148	$ 2,671,202
Taxes receivable	2,552,922	93,866,428	93,294,947	3,124,403
	$ 5,184,093	$ 160,936,607	$ 160,325,095	$ 5,795,605
LIABILITIES				
Due to others	$ 5,184,093	$ 55,343,296	$ 54,731,784	$ 5,795,605
	$ 5,184,093	$ 55,343,296	$ 54,731,784	$ 5,795,605

STATISTICAL SECTION

STATISTICAL SECTION

This part of Newton County's comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents ..... **Page**

Financial Trends ..... **111 – 116**
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity ..... **117 – 120**
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity ..... **121 – 123**
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information ..... **124 and 125**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information ..... **126 – 128**
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

NEWTON COUNTY, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	$ 224,550,879	$ 226,907,846	$ 229,429,752	$ 211,951,488	$ 201,179,717	$ 191,442,470	$ 179,416,742	$ 169,867,309	$ 167,948,787	$ 157,345,105
Restricted	27,748,381	27,682,733	24,610,659	28,039,469	28,767,304	29,953,772	33,265,276	33,052,892	31,679,317	26,094,471
Unrestricted	12,223,069	2,674,908	(920,756)	8,270,070	8,967,522	6,516,962	5,221,815	1,182,563	(4,779,468)	15,167,093
Total governmental activities net position	$ 264,522,329	$ 257,265,487	$ 253,119,655	$ 248,261,027	$ 238,914,543	$ 227,913,204	$ 217,903,833	$ 204,102,764	$ 194,848,636	$ 198,606,669
Business-type activities:										
Net investment in capital assets	$ 25,267,253	$ 27,486,287	$ 28,509,295	$ 30,639,514	$ 35,430,114	$ 36,563,019	$ 36,555,145	$ 39,236,128	$ 38,813,906	$ 27,142,372
Restricted	1,813,422	2,096,353	2,509,165	2,800,817	2,843,240	4,422,173	5,255,914	5,621,418	6,485,218	2,979,055
Unrestricted	4,495,456	5,306,139	4,215,182	3,374,547	(205,233)	(1,988,942)	(1,022,755)	(10,701,903)	(8,956,594)	(1,058,495)
Total governmental activities net position	$ 31,576,131	$ 34,888,779	$ 35,233,642	$ 36,814,878	$ 38,068,121	$ 38,996,250	$ 40,788,304	$ 34,155,643	$ 36,342,530	$ 29,062,932
Primary government:										
Net investment in capital assets	$ 249,818,132	$ 254,394,133	$ 257,939,047	$ 242,591,002	$ 236,609,831	$ 228,005,489	$ 215,971,887	$ 209,103,437	$ 206,762,693	$ 184,487,477
Restricted	29,561,803	29,779,086	27,119,824	30,840,286	31,610,544	34,375,945	38,521,190	38,674,310	38,164,535	29,073,526
Unrestricted	16,718,525	7,981,047	3,294,426	11,644,617	8,762,289	4,528,020	4,199,060	(9,519,340)	(13,736,062)	14,108,598
Total governmental activities net position	$ 296,098,460	$ 292,154,266	$ 288,353,297	$ 285,075,905	$ 276,982,664	$ 266,909,454	$ 258,692,137	$ 238,258,407	$ 231,191,166	$ 227,669,601

NEWTON COUNTY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	$ 9,597,133	$ 7,820,693	$ 7,176,209	$ 7,036,466	$ 6,920,643	$ 7,533,759	$ 7,485,799	$ 14,288,327	$ 17,980,423	$ 24,254,115
Judicial	4,950,906	5,258,579	4,810,228	5,037,480	5,406,702	5,710,033	6,043,628	6,694,334	4,643,627	6,638,406
Public safety	30,762,320	29,855,552	29,000,715	29,646,199	31,376,390	30,826,480	31,654,200	33,224,136	34,578,844	37,335,611
Public works	18,758,993	14,965,616	15,207,675	17,989,182	19,098,371	25,702,670	20,082,262	18,629,383	21,097,126	18,349,291
Health and welfare	1,107,591	1,067,316	941,975	856,581	844,246	766,260	778,275	1,224,761	1,212,755	1,250,959
Culture and recreation	3,931,480	5,151,820	4,792,433	3,344,946	3,483,545	3,318,912	3,576,071	4,434,377	3,322,222	3,483,713
Housing and development	1,968,084	2,359,872	1,558,620	1,214,808	1,272,176	1,372,146	1,780,917	1,102,413	1,037,357	1,364,862
Interest on long-term debt	1,985,376	1,840,681	1,007,034	761,363	735,764	556,395	515,129	273,612	478,930	612,800
Total governmental activities expenses	73,061,883	68,320,129	64,494,889	65,887,025	69,137,837	75,786,655	71,916,281	79,871,343	84,351,284	93,289,757
Business-type activities:										
Water	4,954,067	4,603,439	6,322,906	6,487,529	6,155,568	5,794,325	5,886,594	6,235,629	6,745,310	6,396,264
Special facilities	62,724	46,968	61,791	44,708	42,168	48,276	35,772	111,383	147,157	237,007
Solid waste	3,986,608	2,832,068	3,352,000	3,227,776	4,572,440	4,369,003	4,327,308	11,208,804	4,469,402	4,696,455
Total business-type activities expenses	9,003,399	7,482,475	9,736,697	9,760,013	10,770,176	10,211,604	10,249,674	17,555,816	11,361,869	11,329,726
Total primary government expenses	$ 82,065,282	$ 75,802,604	$ 74,231,586	$ 75,647,038	$ 79,908,013	$ 85,998,259	$ 82,165,955	$ 97,427,159	$ 95,713,153	$ 104,619,483
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,779,538	$ 1,968,620	$ 1,330,529	$ 2,232,650	$ 1,771,103	$ 1,707,308	$ 1,884,784	$ 2,118,021	$ 2,842,476	$ 2,922,064
Judicial	2,695,742	2,723,312	2,846,198	2,390,522	2,483,423	2,413,909	2,461,150	2,581,952	2,257,358	2,432,597
Public safety	3,041,326	2,725,913	2,878,341	3,128,360	2,709,277	2,847,304	2,761,245	2,804,679	3,381,419	3,249,502
Public works	857,225	844,183	919,777	1,046,194	1,021,988	1,006,911	1,007,308	1,017,634	1,393,093	1,469,630
Health and welfare	-	-	-	-	-	-	-	68,962	86,638	75,166
Culture and recreation	5,723	5,896	6,303	7,756	4,975	5,538	5,805	6,499	387,488	370,873
Housing and development	588,768	283,973	463,721	206,127	196,655	621,478	853,693	991,364	782,685	880,571
Operating grants and contributions	3,557,401	3,846,360	3,133,512	2,748,444	4,446,175	7,617,915	3,065,913	3,957,846	5,756,792	4,090,908
Capital grants and contributions	5,643,195	1,268,096	255,450	174,620	258,229	82,375	2,045,665	1,767,884	740,657	6,889,967
Total governmental activities program revenues	18,168,918	13,666,353	11,833,831	11,934,673	12,891,825	16,302,738	14,085,563	15,314,841	17,628,606	22,381,278
Business-type activities:										
Charges for services	7,944,467	7,799,459	9,194,258	10,014,248	10,321,636	10,348,740	11,303,912	11,407,025	12,355,960	14,818,542
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	8,500	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	7,952,967	7,799,459	9,194,258	10,014,248	10,321,636	10,348,740	11,303,912	11,407,025	12,355,960	14,818,542
Total primary government program revenues	$ 26,121,885	$ 21,465,812	$ 21,028,089	$ 21,948,921	$ 23,213,461	$ 26,651,478	$ 25,389,475	$ 26,721,866	$ 29,984,566	$ 37,199,820

(Continued)

NEWTON COUNTY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense)/revenue:										
Governmental activities	$ (54,892,965)	$ (54,653,776)	$ (52,661,058)	$ (53,952,352)	$ (56,246,012)	$ (59,483,917)	$ (57,830,718)	$ (64,556,502)	$ (66,722,678)	$ (70,908,479)
Business-type activities	(1,050,432)	316,984	(542,439)	254,235	(448,540)	137,136	1,054,238	(6,148,791)	994,091	3,488,816
Total primary government net expense	$ (55,943,397)	$ (54,336,792)	$ (53,203,497)	$ (53,698,117)	$ (56,694,552)	$ (59,346,781)	$ (56,776,480)	$ (70,705,293)	$ (65,728,587)	$ (67,419,663)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 29,892,395	$ 29,206,096	$ 28,579,308	$ 26,221,203	$ 24,267,110	$ 25,281,952	$ 26,084,591	$ 30,730,890	$ 33,154,213	$ 37,935,899
Sales taxes	15,504,707	16,662,197	16,510,540	18,506,632	18,952,178	18,396,452	19,063,384	18,772,992	19,254,415	20,620,046
Other taxes	4,042,855	4,017,196	3,809,910	5,029,810	5,562,758	5,582,868	5,898,427	6,484,701	6,174,406	6,590,717
Unrestricted investment earnings	643,660	98,293	77,838	44,911	34,895	8,501	11,543	17,114	65,710	108,151
Joint venture equity	589,940	44,185	73,854	21,703	(7,743)	(31,760)	-	-	-	-
Gain on sale of capital assets	308,813	-	16,008	19,454	240,612	13,646	-	7,256	-	-
Transfers	(230,484)	(2,631,033)	(552,233)	(750,000)	(1,745,705)	(769,078)	(715,093)	(1,197,080)	(1,180,194)	9,411,699
Special items	-	-	-	-	-	-	-	(4,000,000)	-	-
Total governmental activities	50,751,886	47,396,934	48,515,225	49,093,713	47,304,105	48,482,581	50,342,852	50,815,873	57,468,550	74,666,512
Business-type activities:										
Unrestricted investment earnings	425,370	364,631	322,494	384,528	28,567	21,915	22,723	15,289	12,602	104,375
Gain on sale of capital assets	(36,706)	-	12,575	192,473	25,000	-	-	35,175	-	(1,461,090)
Transfers	230,484	2,631,033	552,233	750,000	1,745,705	769,078	715,093	1,197,080	1,180,194	(9,411,699)
Special items	-	-	-	-	-	-	-	(1,731,414)	-	-
Total business-type activities	619,148	2,995,664	887,302	1,327,001	1,799,272	790,993	737,816	(483,870)	1,192,796	(10,768,414)
Total primary government	$ 51,371,034	$ 50,392,598	$ 49,402,527	$ 50,420,714	$ 49,103,377	$ 49,273,574	$ 51,080,668	$ 50,332,003	$ 58,661,346	$ 63,898,098
Change in Net Position										
Governmental activities	$ (4,141,079)	$ (7,256,842)	$ (4,145,833)	$ (4,858,639)	$ (8,941,907)	$ (11,001,336)	$ (7,487,866)	$ (13,740,629)	$ (9,254,128)	$ 3,758,033
Business-type activities	(431,284)	3,312,648	344,863	1,581,236	1,350,732	928,129	1,792,054	(6,632,661)	2,186,887	(7,279,598)
Total primary government	$ (4,572,363)	$ (3,944,194)	$ (3,800,970)	$ (3,277,403)	$ (7,591,175)	$ (10,073,207)	$ (5,695,812)	$ (20,373,290)	$ (7,067,241)	$ (3,521,565)

NEWTON COUNTY, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	$ 589,326	$ 709,031	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	5,856,753	3,675,689	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaids and inventories	-	-	523,573	352,126	397,862	364,301	193,419	306,914	336,493	289,201
Restricted:										
General Government	-	-	-	-	-	-	185	-	-	-
Assigned	-	-	-	175,000	15,000	-	396,063	32,196	525,393	457,972
Unassigned	-	-	5,938,172	7,962,318	7,295,286	6,127,893	5,247,626	4,678,421	7,335,966	11,521,937
Total General Fund	$ 6,446,079	$ 4,384,720	$ 6,461,745	$ 8,489,444	$ 7,708,148	$ 6,492,194	$ 5,837,293	$ 5,017,531	$ 8,197,852	$ 12,269,110
All Other Governmental Funds										
Reserved	$ 21,881,919	$ 22,033,235	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, undesignated	9,865,386	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	4,826,938	5,615,544	-	-	-	-	-	-	-	-
Debt service funds	903,401	766,101	-	-	-	-	-	-	-	-
Capital projects funds	2,868,714	3,795,846	-	-	-	-	-	-	-	-
Nonspendable:										
Prepaids and inventories	-	-	133,319	167,959	7,920	10,197	7,966	3,643	-	-
Long-term advances	-	-	-	-	-	-	1,500,000	-	-	-
Restricted:										
General government	-	-	132,649	105,500	214,866	276,553	300,713	163,125	378,881	420,338
Judicial	-	-	370,115	351,884	396,360	314,857	469,133	574,150	663,466	671,962
Public safety	-	-	5,588,130	5,253,364	3,207,061	2,095,593	1,272,382	1,764,620	2,111,228	2,972,308
Public works			(30,940)	(43,710)	-	(14,830)	-	32,096	192,579	-
Culture and recreation	-	-	(40,920)	11,990	-	(8,372)	-	-	-	-
Health and welfare	-	-	-	(10,561)	11,250	11,250	-	122	122	29,930
Housing and development	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	2,664,015	2,398,188	3,009,692	3,009,692	2,858,700	-	-	-
Capital projects	-	-	26,064,022	25,260,441	27,240,413	27,240,413	32,702,886	30,515,136	33,950,694	22,035,946
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	390,041	131,456	131,604
Unassigned:										
Special revenue funds	-	-	-	-	(129,628)	-	-	-	(395,144)	(729,940)
Capital projects funds	-	-	-	-	-	-	(3,292,077)	(2,004,321)	(938,816)	-
Total all other governmental funds	$ 40,346,358	$ 32,210,726	$ 34,880,390	$ 33,495,055	$ 33,957,934	$ 32,935,353	$ 35,819,703	$ 31,438,612	$ 36,094,466	$ 25,532,148

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

NEWTON COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	$ 50,393,166	$ 51,669,478	$ 51,228,233	$ 51,844,371	$ 49,568,808	$ 48,855,214	$ 50,984,721	$ 55,863,418	$ 58,855,239	$ 64,274,820
Licenses and permits	450,235	315,412	309,427	265,405	270,718	468,976	565,903	627,846	876,815	981,952
Intergovernmental	3,520,650	3,609,262	3,150,134	2,886,094	4,623,729	7,617,044	4,100,443	5,004,131	5,921,341	5,101,884
Charges for services	4,915,450	4,326,821	4,671,267	4,708,862	4,095,754	5,921,160	5,831,133	6,092,745	6,502,552	7,074,269
Fines and forfeitures	1,719,841	1,778,997	1,882,297	1,724,348	1,874,396	1,844,091	1,969,771	2,001,297	1,928,727	1,688,733
Investment income	629,733	269,150	144,659	75,871	60,253	27,982	35,434	41,796	65,474	107,911
Contributions	2,664	6,172	1,724	2,803	13,971	26,126	43,520	23,596	66,392	852,060
Miscellaneous	849,246	954,003	481,851	705,440	798,813	782,619	829,090	1,060,883	1,148,429	1,043,195
Total revenues	$ 62,480,985	$ 62,929,295	$ 61,869,592	$ 62,213,194	$ 61,306,442	$ 65,543,212	$ 64,360,015	$ 70,715,712	$ 75,364,969	$ 81,124,824
Expenditures										
General government	$ 7,663,767	$ 6,426,697	$ 5,932,763	$ 5,594,296	$ 6,619,230	$ 5,788,160	$ 6,449,561	$ 7,462,273	$ 7,388,745	$ 19,523,430
Judicial	4,808,037	5,064,680	4,691,109	4,907,620	5,304,172	5,624,412	5,928,040	6,456,453	6,670,664	6,722,938
Public safety	30,038,668	27,165,996	26,757,143	27,236,777	28,565,476	29,046,169	29,363,101	30,981,218	32,513,402	32,239,793
Public works	4,818,371	4,193,556	4,211,044	4,202,811	4,522,541	5,180,737	4,735,519	5,634,550	5,105,788	6,512,738
Health and welfare	1,163,435	1,084,048	966,851	877,027	860,937	764,792	787,418	2,036,179	1,206,446	1,214,432
Culture and recreation	3,286,732	4,749,364	3,215,933	2,813,367	3,714,555	2,717,064	2,748,044	3,529,903	2,782,328	2,781,149
Housing and development	2,227,411	2,515,250	1,600,773	1,198,507	1,265,046	1,371,985	1,332,190	1,093,368	1,037,357	1,320,547
Intergovernmental	137,956	337,263	823,091	1,905,375	1,902,600	1,845,023	1,913,036	1,883,239	2,473,302	-
Capital outlay	6,474,886	3,162,645	4,584,511	5,259,205	4,773,271	12,435,972	5,286,856	11,759,660	19,434,491	23,700,444
Debt service:										
Principal retirement	7,971,741	8,154,235	8,139,409	767,237	2,007,402	2,206,323	3,703,389	2,709,221	1,874,471	2,462,112
Interest and fiscal charges	2,205,264	2,163,150	1,111,888	9,179,366	614,362	524,234	496,868	233,181	410,987	559,415
Total expenditures	70,796,268	65,016,884	62,034,515	63,941,588	60,149,592	67,504,871	62,744,022	73,779,245	80,897,981	97,036,998
Excess (deficiency) of revenues over (under) expenditures	(8,315,283)	(2,087,589)	(164,923)	(1,728,394)	1,156,850	(1,961,659)	1,615,993	(3,063,533)	(5,533,012)	(15,912,174)

(Continued)

NEWTON COUNTY, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Capital leases	-	-	-	2,969,934	-	784,735	552,931	87,784	14,440,598	-
Issuance of bonds	3,460,000	-	-	3,425,000	-	360,000	-	6,400,000	-	-
Premium on bonds	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	(3,429,914)	-	-	-	(7,265,378)	-	-
Transfers in	6,730,496	5,084,036	3,456,834	3,254,478	6,051,403	5,232,830	1,896,925	4,549,204	3,277,256	13,217,191
Transfers out	(6,960,980)	(7,041,927)	(4,724,655)	(3,868,196)	(7,797,081)	(6,001,909)	(2,612,018)	(5,746,284)	(4,364,055)	(3,805,492)
Proceeds from sale of capital assets	16,967	11,916	16,008	19,454	270,411	13,634	-	7,256	15,388	9,415
Total other financing sources (uses)	3,246,483	(1,945,975)	(1,251,813)	2,370,756	(1,475,267)	389,290	(162,162)	(1,967,418)	13,369,187	9,421,114
Net change in fund balances	$ (5,068,800)	$ (4,033,564)	$ (1,416,736)	$ 642,362	$ (318,417)	$ (1,572,369)	$ 1,453,831	$ (5,030,951)	$ 7,836,175	$ (6,491,060)
Debt service as a percentage of noncapital expenditures	15.8%	16.7%	16.1%	17.0%	4.7%	5.0%	7.3%	4.7%	3.4%	3.8%

NEWTON COUNTY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year Ended June 30,	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other (1)					
2009	$ 2,335,217	$ 770,496	$ 236,559	$ 6,704	$ 393,619	$ 2,955,357	9.730	$ 7,388,393	40%
2010	2,155,819	860,807	242,535	4,450	416,302	2,847,308	9.730	7,118,270	40%
2011	1,797,664	709,800	217,739	3,325	362,772	2,365,756	10.730	5,914,390	40%
2012	1,609,066	710,446	218,780	3,599	364,104	2,177,787	10.910	5,444,468	40%
2013	1,372,380	699,094	227,748	2,852	353,685	1,948,389	10.910	4,870,973	40%
2014	1,232,668	698,075	240,209	2,497	330,197	1,843,252	11.540	4,608,130	40%
2015	1,403,261	699,910	203,335	2,817	339,585	1,969,738	11.225	4,924,345	40%
2016	1,538,468	736,342	149,190	2,945	368,118	2,058,827	12.990	5,147,068	40%
2017	1,659,816	775,606	113,941	3,118	390,264	2,162,217	12.990	5,405,543	40%
2018	1,891,990	822,653	86,195	2,264	437,944	2,365,158	12.990	5,912,895	40%

Source: Newton County Tax Commissioner

(1) Includes Mobile Home, Timber, and Heavy Equipment

NEWTON COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Newton County rates										
Maintenance & Operations										
Unincorporated	9.73	9.73	10.91	10.91	10.91	11.54	11.23	12.99	12.99	13.44
Emergency Medical Services	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	-
Fire Protection	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.84	0.89	0.89
Hospital Authority	1.20	1.20	1.20	1.20	1.20	1.20	1.20	-	-	-
Board of Education										
Maintenance and Operations	19.21	19.21	21.00	21.07	21.90	21.90	20.45	20.00	20.00	20.00
State of Georgia	0.25	0.25	0.25	0.25	0.20	0.15	0.10	0.05	-	-
Total Unincorporated	31.63	31.63	34.60	34.68	35.45	36.03	34.22	34.33	34.33	34.33
Covington CID	-	-	-	-	-	-	-	-	-	5.00
Total Municipalities										
Mansfield	5.32	5.32	5.58	5.58	5.58	5.58	5.08	4.72	4.60	4.42
Newborn	1.80	1.80	1.94	1.97	1.94	2.03	1.89	1.88	1.86	1.83
Oxford	5.51	5.51	6.28	7.06	7.60	7.85	7.57	7.76	7.24	6.62
Porterdale	9.16	9.16	17.52	19.89	19.89	19.39	17.91	17.91	17.91	17.31
Social Circle (1)	23.18	23.18	23.46	24.05	24.28	24.28	27.20	26.50	25.85	25.04
City of Covington	8.21	8.21	8.21	8.21	8.21	8.20	7.71	7.65	7.65	7.65

Source: Newton County Tax Commissioner

(1) The City of Social Circle's tax rate includes the tax rate to fund the Social Circle City Board of Education

NEWTON COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2018			2009		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
C R Bard Inc.	$ 72,156,666.00	1	3.05 %	$ 41,809,226	4	1.41 %
SKC, INC	52,809,775.00	2	2.23	51,559,124	2	1.74
General Mills	40,407,562.00	3	1.71	42,740,677	3	1.45
Pactive	32,097,549.00	4	1.36	41,512,230	5	1.40
Firberco Inc./Fibervision Inc.	24,243,627.00	5	1.03	11,688,181	10	-
Georgia Power	21,869,488.00	6	0.92	15,043,228	9	-
Nisshinbo	21,602,254.00	7	0.91	17,359,003	8	-
Bellsouth/AT&T	21,322,675.00	8	0.90	-		-
Snapping Shoals EMC	19,992,761.00	9	0.85	24,036,479	7	0.81
Eric Zorn / Walmart	17,322,717.00	10	0.73	-		-
Gwinnett Industries	-	-	-	92,298,432	1	3.12
Komatsu Forklift	-	-	-	26,081,062	6	0.88
Totals	$ 323,825,074		13.69 %	$ 364,127,642		10.83 %

The fiscal year 2018 total taxable assessed value is: $ 2,365,157,916
The fiscal year 2009 total taxable assessed value is: $ 2,955,354,830

Source: Newton County Tax Commissioner

NEWTON COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	$ 24,058,178	$ 22,817,304	94.8	$ 1,004,449	$ 23,821,753	99.0 %
2010	25,302,008	23,141,779	91.5	1,784,230	24,926,009	98.5
2011	23,398,585	22,506,797	96.2	98,961	22,605,758	96.6
2012	21,322,577	20,537,949	96.3	420,933	20,958,882	98.3
2013	18,739,421	18,307,884	97.7	570,087	18,877,971	100.7
2014	18,470,300	18,131,491	98.2	404,108	18,535,599	100.4
2015	19,796,280	19,511,312	98.6	310,912	19,822,224	100.1
2016	24,768,366	24,476,284	98.8	210,466	24,686,750	99.7
2017	26,566,593	26,248,761	98.8	242,132	26,490,893	99.7
2018	30,479,008	30,093,892	98.7	170,288	30,264,180	99.3

Source: Newton County Tax Commissioner

NEWTON COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases and GEFA Notes	Installment Sale Agreements	Intergovernmental Contracts	Revenue Bonds	Capital Leases and GEFA Notes			
2009	$ 15,890,000	$ 5,498,701	$ 15,905,000	$ 5,860,000	$ 32,370,000	$ 641,534	$ 76,165,235	2.86 %	$ 775
2010	10,765,000	3,882,352	14,480,000	5,285,000	34,010,000	315,652	68,738,004	2.61	691
2011	5,475,000	2,967,623	13,005,000	4,670,000	32,405,000	47,596	58,570,219	2.23	585
2012	-	3,981,803	11,525,000	4,040,000	30,510,000	4,422,403	54,479,206	1.97	542
2013	-	2,911,904	10,775,000	3,357,500	25,040,000	5,008,179	47,092,583	1.68	466
2014	-	2,925,110	9,880,000	2,655,000	22,975,000	4,744,446	43,179,556	1.49	422
2015	-	2,203,485	8,955,000	1,937,500	20,905,000	4,373,513	38,374,498	1.27	370
2016	-	1,386,209	7,430,000	1,200,000	18,795,000	4,374,562	33,185,771	1.03	315
2017	-	15,371,393	6,303,275	1,705,104	16,640,000	4,127,484	44,147,256	1.32	413
2018	-	14,506,731	5,163,275	1,267,551	36,700,000	2,285,593	59,923,150	1.70	554

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

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

NEWTON COUNTY, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Percentage of Estimated Actual Value of Taxable Property (2)	Bonded Debt Per Capita (3)
2009	$ 15,890,000	215.07%	162
2010	10,765,000	151.23%	108
2011	5,475,000	92.57%	55
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-

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

(1) Presented net of original issuance discounts and premiums.
(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

NEWTON COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	$ 295,536	$ 284,731	$ 236,576	$ 217,779	$ 194,839	$ 184,325	$ 196,974	$ 205,883	$ 216,222	$ 236,516
Total net debt applicable to limit	15,890	10,765	5,475	-	-	-	-	-	-	-
Legal debt margin	$ 279,646	$ 273,966	$ 231,101	$ 217,779	$ 194,839	$ 184,325	$ 196,974	$ 205,883	$ 216,222	$ 236,516
Total net debt applicable to the limit as a percentage of debt limit	5.38%	3.78%	2.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	$ 2,365,158
Debt limit (10% of assessed value)	236,516
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of General obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 236,516

NOTE: Under state finance law, the County's outstanding general obligation debt should not exceed 10% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying the general obligation bonds.

NEWTON COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2009	98,240	$ 2,663,272	$ 27,110	32.6	N/A	7.6 %
2010	99,494	2,634,855	26,483	33.7	N/A	11.7
2011	100,169	2,623,010	26,186	35.0	N/A	12.2
2012	100,565	2,759,412	27,439	36.0	N/A	11.0
2013	101,122	2,805,018	27,739	36.3	N/A	9.7
2014	102,272	2,899,542	28,351	36.1	19,522	8.2
2015	103,790	3,023,291	29,129	35.7	19,651	6.7
2016	105,324	3,210,695	30,484	36.1	19,709	6.0
2017	106,999	3,354,135	31,347	36.0	19,664	5.4
2018	108,078	3,517,731	32,548	36.1	19,758	5.3

(1) Source: Bureau of Economic Analysis
(2) Source: U.S. Census Bureau - American Fact Finder
(3) Source: Newton County Board of Education
(4) Source: Georgia Department of Labor

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

NEWTON COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2018			2009		
Taxpayer	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (1)	Rank	Percentage of Total County Employment (2)
Newton County Board of Education	2324	1	4.76 %	-	-	- %
Shire Pharmaceuticals	900	2	1.84	-	-	-
Piedmont Newton Hospital	870	3	1.78	-	-	-
C.R. Bard, Inc.	692	4	1.42	565	1	1.26
Newton County Government	630	5	1.29	-	-	-
Pactiv (Tenneco packaging, Inc.)	500	6	1.02	492	2	1.14
General Mills	365	7	0.75	363	3	0.84
SKC	331	8	0.68	200	8	0.46
City of Covington	315	9	0.65	-	-	-
SRG	310	10	0.64	-	-	-
Guardian Automotive	-	-	-	320	4	0.74
Clarion Metals	-	-	-	270	5	0.63
Specialty Yarn & Converting	-	-	-	250	6	0.58
Fibervisions	-	-	-	250	7	0.58
Nisshinbo	-	-	-	228	6	0.53
Komatsu Forklift USA	-	-	-	200	8	0.46
Beaver Manufacturing	-	-	-	185	9	0.43
Leggett & Platt	-	-	-	175	10	0.41
Totals	7,237		14.83 %	3,498		8.06 %

(1) Source: Newton County Chamber of Commerce

(2) Source: Georgia Department of Labor County Profile, workforce - 48,794 (November 2018), 44,677 (November 2009)

NEWTON COUNTY, GEORGIA

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

	Full-time Equivalent Employees as of June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General Government	131	129	116	113	105	117	119	128	142	145
Public Safety										
Sheriff										
Officers (including SRO)	126	126	122	114	134	137	137	145	150	141
Civilians	13	13	11	14	19	20	18	12	14	13
Detention										
Officers	96	96	82	84	71	70	71	83	90	76
Admin (Other)	21	21	17	20	18	18	20	25	25	26
Fire										
Firefighters and Officers	72	72	67	68	61	63	65	74	76	87
Civilians	8	6	6	7	11	11	10	2	2	2
Coroner	1	1	1	1	1	1	1	1	1	1
Animal Control	9	9	9	8	7	7	8	9	9	9
Emergency Management	2	2	2	2	2	2	2	2	2	2
Public Works										
Highways and streets	54	53	50	35	35	29	31	39	35	31
Fleet Maintenance	-	-	-	10	8	10	10	10	10	9
Engineering	5	5	4	4	1	2	2	-	-	-
Water Resources	12	8	11	10	10	12	9	16	17	18
Solid Waste Disposal and Recycling	19	18	17	18	15	15	18	16	18	10
Clean and Beautiful	-	-	-	-	-	-	-	2	2	2
Parks and Recreation	21	21	24	23	23	17	17	25	24	29
Planning and Development	13	11	15	15	17	15	16	16	15	15
Total	603	591	554	546	538	546	554	605	632	616

Source: 2009-2015 Newton County Payroll Office; 2016-2018 Newton County Human Resources

NEWTON COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental:										
Sheriff Department										
Physical arrest	7,418	7,950	7,168	7,032	6,958	6,964	6,931	6,753	6,495	6,194
Parking violations	3	1	-	2	-	2	5	9	4	7
Traffic violations	1,999	1,745	1,337	2,681	2,683	3,758	4,361	3,715	3,143	4,113
Fire Department										
Fires Extinguished										
Structures	227	125	317	317	78	141	117	120	119	91
Vehicles	96	80	74	74	45	48	58	59	71	55
Emergency Responses	5,365	4,728	4,919	4,919	4,170	6,521	6,468	6,455	7,050	7,022
Fire Inspections	67	85	197	197	161	251	242	280	287	372
Parks and Recreation										
Recreation Participants										
Youth	3,485	3,485	2,857	2,857	2,383	2,528	2,497	2,205	2,313	2,423
Adults	1,435	1,435	1,054	1,054	884	824	856	462	630	585
Athletic fields	27	27	27	27	27	27	27	27	27	27
Business-type:										
Landfill										
Refuse Collection (tons/day)	271	261	261	261	240	266	273	249	259	261
Recyclables Centers	12	11	11	11	11	11	11	11	11	5
Recyclables Centers (tons/day)	N/A	N/A	N/A	N/A	81	89	86	73	40	30
Newspaper Collections (tons/day)	559	413	401	401	430	500	525	550	600	100
Scrap Metal Collections (tons/day)	939	850	785	785	900	1,050	1,000	850	875	250
Glass Collections (tons/day)	166	192	220	220	290	310	320	350	300	250
Cardboard Collections (tons/day)	546	585	490	490	550	600	575	610	650	200

NOTE: Indicators are not available for the general government function.

Sources: Various County Departments.

NEWTON COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Sheriff Department										
Stations	2	2	2	2	3	3	3	3	3	3
Patrol Units	42	42	43	43	43	47	51	55	61	64
Fire Stations	7	7	7	7	7	7	7	7	7	7
Public Works										
Streets (miles)	776	778	778	778	779	781	781	782	784	784
Traffic Signals	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Park Acreage	320.0	320.0	360.0	360	360	360	360	360	360	351
Playgrounds	11	11	11	11	11	11	12	12	12	12
Baseball/Softball Diamonds	21	21	21	21	21	21	21	21	21	21
Soccer/Football Fields	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1

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

NOTE: Street miles only includes County maintained roads.

Source: Various County Departments.

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COMPLIANCE SECTION

MAULDIN & JENKINS

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

To the Board of Commissioners
of Newton County, Georgia
Covington, 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, 2018, 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 28, 2018. Our report includes a reference to other auditors who audited the financial statements of the Newton County Department of Public Health, the Newton County Industrial Development Authority, the Newton County Library System, and the Newton County Recreation Commission, as described in our report on Newton County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 Newton County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Newton County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
of Newton County, Georgia
Covington, Georgia

Report on Compliance for Each Major Federal Program

We have audited Newton County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Newton County, Georgia's major federal programs for the fiscal year ended June 30, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of 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 fiscal year ended June 30, 2018.

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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Macon, Georgia
December 28, 2018

Mauldin & Jenkins, LLC

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Pass Through Program - Northeast Georgia Regional Commission				
Community Care Services Program - Title III, Part B	93.044	SFY 2018	$ 9,341	$ -
Community Care Services Program - Title III, Part C	93.045	SFY 2018	87,785	-
Nutrition Services Incentive Program	93.053	SFY 2018	24,282	-
Total Aging Cluster			121,408	-
Direct				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2017-14TI25929A	77,683	-
Pass Through Program - Georgia Department of Human Resources				
Community Services Block Grant	93.569	42700-040-00000520863	44,886	15,500
		42700-040-0000063891	60,937	8,358
Total 477 Cluster			105,823	23,858

(Continued)

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Pass Through Program - Northeast Georgia Regional Commission				
National Family Caregiver Support, Title III, Part E	93.052	SFY 2018	3,311	-
Social Services Block Grant	93.667	SFY 2018	6,897	-
CCSP Medicaid	93.779	SFY 2018	8,755	-
Viewpoint Health				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2017-14TI25929A	107,717	-
		2018-14TI25929A	128,021	-
			235,738	-
Total U.S. Department of Health and Human Services			**$ 559,615**	**$ 23,858**

(Continued)

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct				
Edward Byrne Grant Memorial Justice Assistance	16.738	2014-DJ-BX-0933	$ 1,190	$ -
		2016-DJ-BX-0479	449	-
			1,639	-
Criminal & Juvenile Justice and Mental Health Collaboration	16.745	2015-MO-BX-0021	40,125	-
Justice and Mental Health Collaboration Program (JMHCP)	16.745	2017-MO-BX-0024	15,202	-
Public Safety Partnership and Community Policing Grant	16.710	2012-UM-WX-0058	18,096	-
Drug Court Discretionary Grant Program	16.585	2014-DC-BX-0082	20,586	-
Body Worn Camera Policy and Implementation	16.835	2015-DE-BX-K042	3,763	-
			3,763	-

(Continued)

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Justice (Continued)				
Pass Through Program - Criminal Justice Coordinating Council				
Crime Victim Assistance	16.575	C14-8-109	17,963	-
		C15-8-374	19,060	-
		C16-8-207	60,670	-
			97,693	-
Residential Substance Abuse Treatment	16.593	R15-8-002	1,000	-
			1,000	-
Bulletproof Vest Partnership Program	16.607	FYE 2016-2017	64	
Total U.S. Department of Justice			**$ 198,168**	**$ -**

(Continued)

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Direct - Federal Emergency Management Agency				
Assistance to Firefighters Grant Program	97.044	EMW-2016-FO-06369	101,061	-
Pass Through Program - Georgia Planning and Budget				
Emergency Management Performance Grant	97.042	OEM17-109	25,274	-
Pass Through Program - Georgia Emergency Management Homeland Security Agency				
Homeland Security Program	97.067	SHO16-098	1,734	-
Pass Through Program - Georgia Emergency Management Homeland Security Agency				
Hazard Mitigation Grant	97.039	HMGP 4165-0035	77,921	-
Pass Through Program - Georgia Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	Disaster 4259	204,197	-
		Disaster 4338	127,940	-
			332,137	-
Total U.S. Department of Homeland Security			**$ 538,127**	**$ -**

(Continued)

NEWTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Idenitification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Pass Through Program - Atlanta Regional Commission				
Comprehensive Transportation Plan	20.205	Contract #UP1514	$ 172,307	$ -
Pass Through Program - Georgia Department of Transportation				
ARC 2016 - Crowell Rd/Harold Dobbs Rd	20.205	#0015095	93,443	-
ARC 2016 - Brown Bridge/Yellow River Bridge	20.205	#0015096	138,239	-
ARC 2016 - Brown Bridge/ Snapping Shoals Creek	20.205	#0015097	80,505	-
Total Highway Planning and Construction Cluster			312,187	-
Pass Through Program - Governor's Office of Highway Safety				
Highway Enforcement of Aggressive Traffic (HEAT)	20.600	GA-2017-402PT-142	30,079	-
		GA-2018-402PT-085	89,774	-
Total Highway Safety Cluster			119,853	-
Total U.S. Department of Transportation			**$ 604,347**	**$ -**
Total Expenditures of Federal Awards			**$ 1,900,257**	**$ 23,858**

NEWTON COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the fiscal year ended June 30, 2018.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended June 30, 2018.

NEWTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal Control over major programs:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance
20.205	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

NEWTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

NEWTON COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017-001. Recording of Revenues, Receivables, and Unavailable Revenue

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record revenues, receivables, and unavailable revenue as of and for the year ended June 30, 2017 which required significant current year audit adjustments.

Auditee Response/Status: Resolved.

2017-002. Recording of Operating Lease

Criteria: Generally accepted accounting principles require that leases be recorded as either capital or operating in the period in which the lease is entered into.

Condition: The County did not properly record a lease transaction in the Solid Waste fund, which resulted in a prior period adjustment and a current year adjustment for the fund and the Business-type Activities of the County.

Auditee Response/Status: Resolved.

2017-003. Interfund Balances

Criteria: The Official Code of Georgia (OCGA) 48-8-121 requires that SPLOST proceeds be kept in a separate account from other funds of the County and shall not be comingled with other funds prior to their expenditure.

Condition: There is an interfund balance due from the Impact Fee Fund to the 2005 SPLOST Fund. There is also a transfer out of the 2011 SPLOST Fund to the FEMA Grant Fund.

Auditee Response/Status: Resolved.

NEWTON COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017-004. Recording of Landfill Closure and Post-closure Care Liability

Criteria: Closure and post-closure care costs are paid only near or after the date that the landfill stops accepting waste. However, standards require governments to report a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Condition: The County did not adjust the closure/post-closure care liability recorded in the Solid Waste Fund to the liability as calculated by the County's engineers based on landfill capacity used to date at June 30, 2016 or June 30, 2017.

Auditee Response/Status: Resolved.