SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2010

Prepared by:
Jinna L. Garrison, CPA
Administrative Services Director

SPALDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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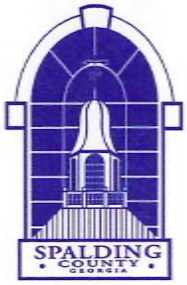
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I. INTRODUCTORY SECTION

SPALDING COUNTY
BOARD OF COMMISSIONERS

Edward Goss, Jr., Chairman
Gwen Flowers-Taylor, Vice Chairman
Eddie L. Freeman
Bob J. Gilreath
David Phillips



INTERIM County Manager
Tim Whalen
County Attorney
James R. Fortune, Jr.

December 17, 2010

Honorable Edward Goss Jr., Chairman,
Members of the Board of Commissioners,
and the Citizens of Spalding County, Georgia:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Spalding County, Georgia for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of Spalding County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Spalding County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Spalding County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Spalding County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Spalding County's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Spalding County for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Spalding County's financial statements for the fiscal year ended June 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

P. O. BOX 1087 • GRIFFIN, GEORGIA 30224 • TEL. 770-467-4233 • FAX 770-467-4227
www.spaldingcounty.com

The independent audit of the financial statements of Spalding 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 available in the Compliance Section of Spalding County's Comprehensive Annual Financial Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Spalding County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Spalding County was created in 1851 by an act of the Legislature of the State of Georgia and is geographically located in the middle part of the state, approximately 40 miles south of Atlanta. Its land area encompasses approximately 200 square miles, and serves a population of 64,708. Spalding County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Spalding County is bordered on the north by Clayton and Henry Counties, on the east by Butts County, on the south by Lamar and Pike Counties and on the west by Meriwether, Coweta and Fayette Counties. Three incorporated municipalities are located within Spalding County: Griffin, which is the County seat, Sunny Side and Orchard Hill.

The governing authority of the County is a Board of Commissioners consisting of five members. The commissioners serve on a part-time basis and are elected to staggered terms of four years. The commissioners are responsible, among other things, for passing ordinances, adopting the budget, establishing tax rates, appointing committees and hiring both the County's manager and attorney. In 1992, the General Assembly of Georgia created the position of County Manager for Spalding County. The County Manager is responsible for carrying out the policies and ordinances of the Spalding County Board of Commissioners, for overseeing the day-to-day operations of the County, and for appointing the heads of various departments.

Spalding County provides a full range of services, including law enforcement; corrections; the construction and maintenance of buildings, parks, streets, highways, bridges, storm-water drainage facilities, and other associated infrastructure; parks and recreational activities; 911 emergency communications; voter registration and elections; court systems; tax assessment and collection; building inspections; geographic information systems; planning and zoning; solid waste collection and recycling; and general administrative and support activities. The County also provides fire protection to the unincorporated areas of the County.

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. The Spalding County Water and Sewerage Facilities Authority, the Spalding County Department of Health, and the Griffin-Spalding County Development Authority are all included as an integral part of Spalding County's financial statements. Additional information on all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for Spalding County's financial planning and control. All departments and agencies of Spalding County are required to submit requests for appropriation to the County Manager in March each year. The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager then presents this 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 no later than June 30, the close of Spalding County's fiscal year. The appropriated budget is prepared by

fund and department. The County Manager may make transfers of appropriations within a department. Transfers of appropriations between departments and the appropriation of additional funds, however, require the special approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Spalding County operates.

Local economy. Spalding County's unique location allows its citizens to enjoy the amenities of the Atlanta metropolitan region along with a quality of life traditionally associated with a suburban environment. Nonetheless, Spalding County's local economic outlook is increasingly influenced by the Atlanta region's continued growth.

Continuing development trends, both in terms of population and economic growth, are strongly influenced by the ongoing suburbanization of Spalding County. Pulte Homes, Inc. chose Spalding County as the perfect location for Sun City Peachtree, the largest master-planned community in the Atlanta area. This active adult community of over 3400 planned homes on 1700 acres is touted to be an "active adult oasis" and the first Sun City branded product in Georgia. There are significant increases in the number of homes under contract and this product seems to be somewhat isolated from the housing and banking downturns in this economic cycle. This building boom will continue to bring jobs to Spalding County, and also an influx of new residents. These new residents will create a demand for additional retail and commercial services, which will fuel growth in this economic sector of our community.

At the same time that the County has enjoyed a closer affiliation with the rest of the Atlanta region, the traditional economic moorings of Spalding County have changed significantly. While the textile industry is no longer a major member of the County's industrial community, the local economy has diversified substantially in recent years. The University of Georgia Griffin Campus expansion leads the transition from a "mill-town" to a "University community" into the future. The UGA Griffin Campus, in cooperation with Southern Crescent Technical College, is working to make Spalding County the higher education destination on the south side of Atlanta.

Leveraging off Spalding County's close proximity to Hartsfield-Jackson International Airport, as well as convenient 4 lane access to Interstate 75, the local economy now consists of a healthy mixture of high-tech manufacturing, research and development and skilled product assembly, as well as the growing retail and commercial services sector.

The economic forecast for Spalding County expects a continuation of these evolving trends with a focus on becoming an educational destination south of Atlanta. Spalding County expects to see substantial residential growth in the next decade and beyond. While many of these new residents will commute throughout the Atlanta region, it is expected that a number of these residents will be working in Spalding County. Considerable new commercial and industrial development is anticipated as businesses capitalize on Spalding County's Atlanta metro location, while enjoying the benefits of the County's dedicated, growing, and increasingly sophisticated workforce.

Long term financial planning. Following its annual financial review process of the Spalding County Capital Improvement Plan, the commissioners plan to maintain the unreserved, undesignated fund balance in the general fund between 15 and 20 percent of total general fund revenues so as to reduce the amount that will need to be borrowed to finance future acquisition and construction. Any significant changes to this plan can be reviewed on an as-necessary basis. The County is intentionally building up the unreserved, undesignated fund balance in order to be

prepared for future real property purchases, transportation improvements, and infrastructure upgrades in anticipation of the residential and commercial growth.

Major Initiatives. Spalding County was made a part of the Atlanta Regional Commission (ARC) for transportation planning purposes in 2005. The ARC model requires a more comprehensive approach for funding transportation needs than has been required in the past. The County contracted with Glatting Jackson Kercher Anglin Inc. for the Tri-County Crossroad Livable Centers Initiative study for the county in 2009. This plan was adopted in August of 2010. Additionally, Spalding County contracted with LPA Group in 2009 for the planning, site analysis and environmental studies associated with the Airport relocation study. The plan will provide the County with the information needed to develop key areas for long term growth success and compete for funding within the region and should be completed in December of 2010.

A Special Purpose Local Option Sales Tax, passed by an overwhelming majority in November 2005, showed that the voters have a long-term vision for their county and that vision included a county-wide 800 MHz radio system that will increase interoperability between local emergency services and the state, expansion/renovation or replacement of the Spalding County Senior Citizens Center and construction of a Student Learning Center on the University of Georgia Griffin Campus. The new Student Learning Center opened in 2009 and has several hundred students enrolled in their undergraduate and graduate degree programs. Final installation and testing of the County's Enhanced 911 System to allow detailed information from cell phones, including latitude and longitude, to be displayed in order to locate persons in need of assistance will be completed in 2010.

The County implemented another Special Purpose Local Option Sales Tax (SPLOST) passed in 2008 to provide funding for acquisition, construction, and development of property for the Griffin Spalding County Industrial Development Authority. This new 680-acre industrial park, called the Lakes at Green Valley, is located on the Big Shanty property in eastern Spalding County and began site development in 2009. Sites for potential industrial prospects will be available in 2010. Other 2008 SPLOST projects included the acquisition, construction and development of additions to the Southern Crescent Technical College campus, acquisition of a touring bus for use by the senior citizens and other County residents, and infrastructure improvements in the County.

The Spalding County Water Authority has approved the issuance of additional bonds to expand and improve water service in the County. The scope and magnitude of these improvements will improve water pressure, fire fighting capabilities, redundancy, and flow rates throughout the County for many years to come. In addition, the acquisition of the Springs Waste Water Treatment Plant will provide sewer lines to Northern Spalding County, opening up new areas of service to previously unavailable areas.

The Spalding County Fire Department finished construction of the new L.B. Norton Fire Station #7 in Fiscal Year 2010. The station is now fully staffed and operational. The station provides improved service and response times in the western region of the county. The new fire station contains the latest technological advances in the fire service industry. A new pumper truck and rescue vehicle is housed at this location. The L.B. Norton Fire Station is the newest in fire station design for Spalding County and this fire station was submitted to Fire Chief Magazine for a Fire Station design award.

Construction of Sun City Peachtree has accelerated after a sluggish year and provides much needed housing for active adult community residents. This 3400-home active-adult community is the first of its kind in Georgia and will be a "baby boomer utopia" unlike anything else in the state. The Grand Opening in 2007 was attended by Governor Sonny Perdue, who operated the backhoe and planted a peach tree.

Cash management policies and practices. The County has contracted with Branch Banking and Trust Company to provide investment and banking services. All operating funds of the County are carried in interest-bearing checking accounts, which bear interest at the rate of the Target Federal Funds rate minus five basis points. Fees are

charged separately. In order to minimize credit and market risks, all deposits of the County are either insured by federal depository insurance or collateralized at 110% of the market value.

Risk management. The Worker's Compensation Trust Fund (Internal Service Fund) records the activity of the County's worker's compensation insurance program. Third party coverage is currently maintained for excess coverage on worker's compensation claims, property and casualty insurance, and general liability insurance. Additionally, as of July 1, 2001, the County began purchasing health insurance from a private carrier. Additional information on Spalding County's risk management activity can be found in the footnotes to the financial statements.

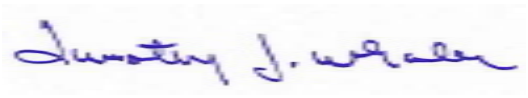
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spalding County for its comprehensive annual financial report for the year ended June 30, 2009. This was the ninth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedication and contribution of Mauldin & Jenkins, LLC and the cooperation of the various elected officials and appointed management. We express our appreciation to all those who contributed to its preparation. Finally, we would like to thank the Board of Commissioners for their visionary leadership and support in conducting the financial affairs of Spalding County in a responsible manner.

Respectfully submitted,





Timothy J. Whalen
County Manager

Jinna L. Garrison, CPA
Administrative Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Spalding County Georgia

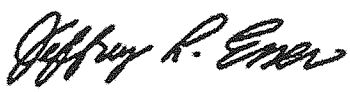
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



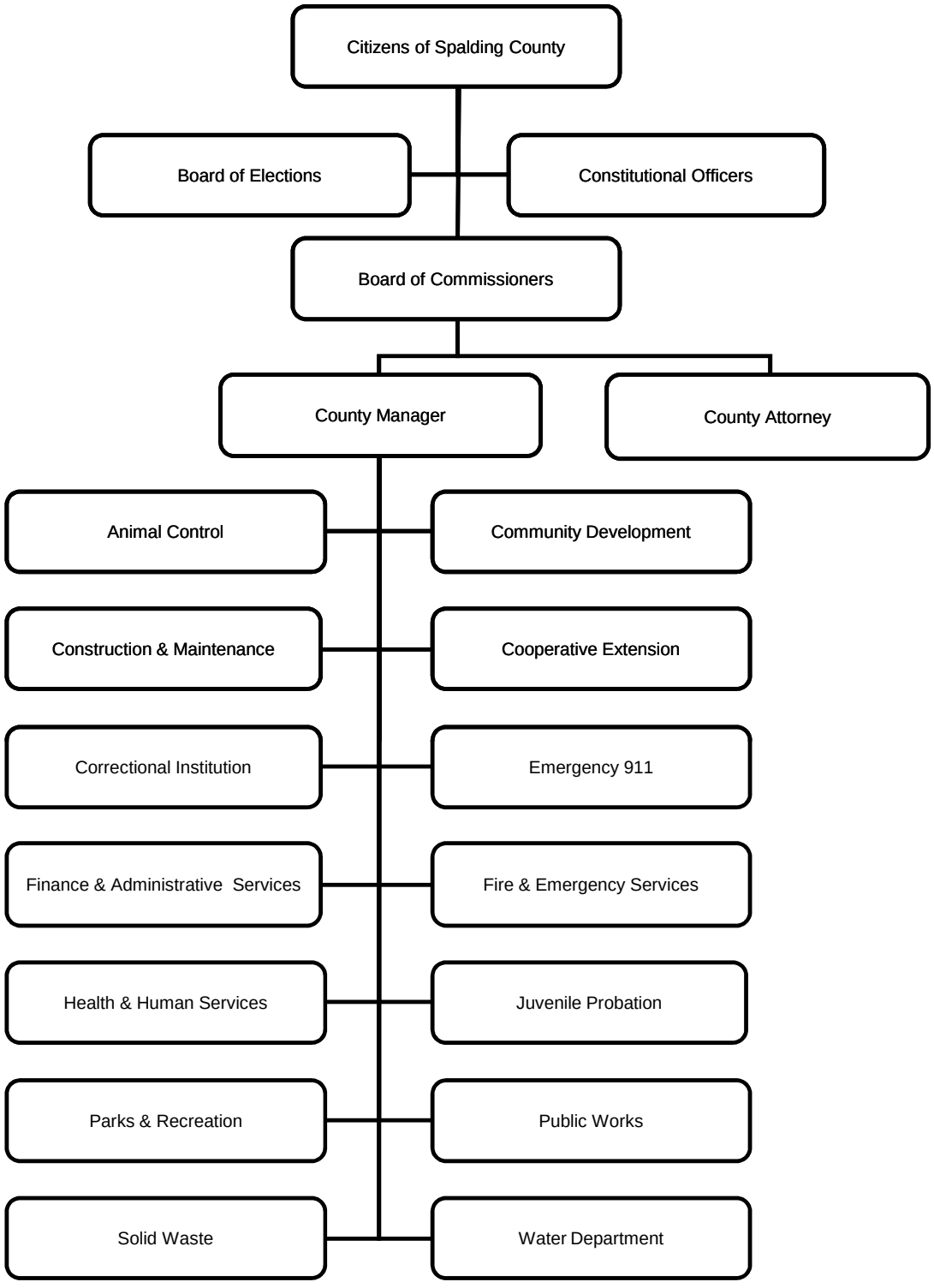


President



Executive Director

SPALDING COUNTY, GEORGIA
ORGANIZATIONAL CHART



SPALDING COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

BOARD OF COMMISSIONERS
Edward Goss, Jr., Chairman
Gwen Flowers-Taylor, Vice-Chairman
Eddie L. Freeman
Bob J. Gilreath
David Phillips

COUNTY MANAGER
Timothy J. Whalen

ADMINISTRATIVE SERVICES DIRECTOR
Jinna L. Garrison, CPA

COUNTY ATTORNEY
James R. Fortune, Jr.

INTERIM ASSISTANT TO THE COUNTY MANAGER
Virginia Martin

SHERIFF
James D. Stewart

TAX COMMISSIONER
Sylvia W. Hollums

CLERK OF SUPERIOR COURT
Marcia L. Norris

STATE COURT JUDGE
Sidney R. Esary

PROBATE COURT JUDGE
Dewitt W. Simonton, Jr.

MAGISTRATE COURT JUDGE
Rita L. Cavanaugh

DISTRICT ATTORNEY
Scott Ballard

SUPERIOR COURT JUDGES
Christopher C. Edwards
Tommy R. Hankinson

II. FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of **Spalding County, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise Spalding County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Spalding County Department of Public Health or the Griffin-Spalding Development Authority, which statements reflect total assets of $919,285 and $21,721,613, respectively, as of June 30, 2010, and total revenues of $1,969,058 and $1,590,821, respectively, for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Spalding County Department of Public Health and the Griffin-Spalding Development Authority in the component unit columns is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Spalding County, Georgia as of June 30, 2010, and the respective changes in financial position, where applicable, thereof and the budgetary comparisons for the General Fund and major special revenue fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2010, on our consideration of Spalding County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 11) and the Schedule of Funding Progress (on page 64) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spalding County, Georgia's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, the statistical section, and continuing disclosure information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Spalding County, Georgia. The 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 Annotated 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 the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* and is also not a required part of the financial statements of Spalding County, Georgia. The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, statistical section, and continuing disclosure information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2010

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

As management of Spalding County, Georgia (the "County"), we offer readers of Spalding County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements.

Financial Highlights

- The assets of Spalding County exceeded its liabilities at June 30, 2010, by $95,669,177 (net assets).
- At June 30, 2010, the County's governmental funds reported combined ending fund balances of $28,077,408, an increase of $761,493 or 2.79% in comparison with the prior year. Of this amount, $27,764,258 remains in the various funds as unreserved.
- At June 30, 2010, the County's General Fund reported an unreserved fund balance of $4,310,343, an increase of $573,858 or 15.36% from the last fiscal year.
- The County's 2008 SPLOST Capital Project Fund closed fiscal year 2010 with a fund balance of $9,947,749. The SPLOST began January 1, 2009 and will be used for various city and county infrastructure projects as well as a new industrial park.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Spalding County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement, for the first time, consolidates the governmental fund's current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, judiciary, transportation, community services, community development, parks and recreation, and tourism.

The government-wide financial statements include not only Spalding County itself (known as the primary government), but also the Spalding County Department of Public Health, the Griffin-Spalding County Development Authority and the Spalding County Water and Sewerage Facilities Authority. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 12 – 14 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. Spalding County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Spalding County maintains governmental funds to account for the following activities: General; Special Revenue (Fire District, Community Services Block Grant, Emergency 911, Confiscated Assets, Law Library, Multiple Grant, Tourism, Local Victims Assistance Program and Griffin Judicial Drug Court); Debt Service (2005 SPLOST Debt Service, 2008 SPLOST Debt Service and GMA Lease Pool) and Capital Projects (2005 SPLOST Capital Projects, 2008 SPLOST Capital Projects, General Capital Projects, Impact Fees, and CDBG EIP Sumika Grant).

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, Fire District, 2005 SPLOST Capital Projects, 2008 SPLOST Capital Projects and 2008 SPLOST Debt Service funds which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Spalding County adopts an annual appropriated budget for its general, special revenue, and capital projects funds.

A budgetary comparison statement has been provided for the General Fund and Fire District Fund. These statements are found on pages 20 – 23. The basic governmental fund financial statements can be found on pages 15 – 18. Budgetary comparisons have also been included in the combining statements for other governmental funds with legally adopted annual budgets.

Proprietary Funds. Spalding County uses an internal service fund to account for its Workers' Compensation Trust Fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 Spalding County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary assets and liabilities can be found on page 27 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 28 – 63 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Along with the combining statements are budget to actual schedules for all governmental funds. Combining and individual fund statements and schedules can be found on pages 65 – 81 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Spalding County, assets exceed liabilities by $95,669,177 at the close of the most recent fiscal year.

By far the largest portion of the County's net assets (89.25%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and intangible assets); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Spalding County's Net Assets – Governmental Activities

	2010	2009
Current and other assets	$ 33,239,605	$ 32,817,234
Capital assets	93,531,926	93,573,880
Total assets	126,771,531	126,391,114
Long-term liabilities outstanding	23,465,761	29,526,063
Other liabilities	7,636,593	2,991,703
Total liabilities	31,102,354	32,517,766
Net assets:		
Invested in capital assets, net of related debt	85,388,780	86,170,339
Restricted	21,882,136	19,235,369
Unrestricted	(11,601,739)	(11,532,360)
Total net assets	$ 95,669,177	$ 93,873,348

An additional portion of Spalding County's net assets (22.87%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit of $11,601,739. The County issued bonds in fiscal year 2009 for the Griffin-Spalding County Development Authority, a component unit of Spalding County, to purchase land for a new industrial park.

During the current fiscal year restricted net assets increased $2,646,767. This increase can be attributed to sales tax collections associated with the 2008 Special Purpose Local Option Sales Tax.

The County's deficit in unrestricted net assets increased $69,379 from the prior year. The County issued $15,500,000 in general obligation bonds during fiscal 2009. The proceeds from these bonds are being used for the acquisition of assets for the Development Authority. Therefore, this debt has reduced the unrestricted net assets of the County.

Governmental Activities. Governmental activities increased the County's net assets by $1,795,829. Key elements of this increase are as follows:

Spalding County's Changes in Net Assets

	Governmental Activities 2010	Governmental Activities 2009
Revenues		
Program revenues:		
Charges for services	$ 10,289,539	$ 10,123,414
Operating grants and contributions	1,601,575	1,332,716
Capital grants and contributions	829,112	1,090,102
General revenues:		
Property taxes	23,667,798	22,220,678
Other taxes	18,144,811	17,663,117
Investment income	229,070	391,847
Total revenues	54,761,905	52,821,874
Expenses		
General government	7,107,940	6,640,547
Judicial	4,528,384	4,584,031
Public safety	26,524,500	25,241,705
Public works	5,398,943	6,809,609
Health and welfare	1,095,175	911,148
Culture and recreation	2,643,500	2,731,539
Housing and development	4,522,298	17,475,860
Interest on long-term debt	1,145,336	982,324
Total expenses	52,966,076	65,376,763
Increase (decrease) in net assets	1,795,829	(12,554,889)
Net assets, beginning of year	93,873,348	106,428,237
Net assets, end of year	$ 95,669,177	$ 93,873,348

- Operating grants and contributions increased $268,859 over the previous fiscal year. The increase is found in a grant from the Griffin-Spalding County Hospital Authority which funds a medical and dental clinic at the Spalding County Health Department. Spalding County acts as a pass-through entity for this grant.
- Capital grants and contributions decreased $260,990. The decline in the economy and housing market has contributed to a decline in development and a decline in infrastructure contributed to the County by developers.
- Investment income decreased by $162,777, due to falling interest rates and declining cash balances.
- Property taxes increased $1,447,120 due to a millage rate increase in fiscal year 2010
- The decrease in total expenses of $12,410,687 is due to completion of assets funded by the 2005 SPLOST. The Student Learning Center on the University of Georgia Griffin Campus which opened in August of 2009 was funded with 2005 SPLOST funds. A county-wide 800 MHz radio system also funded with 2005 SPLOST funds was placed into service during the current fiscal year. Land for a new industrial park was purchased with 2008 SPLOST funds in October 2009 and construction is ongoing.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of Spalding County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, 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.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $28,077,408, an increase of $761,493 in comparison with the prior year. Approximately 98.88% of this total amount ($27,764,258) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period ($312,721), or for various other restricted purposes ($429).

The General Fund is the chief operating fund of Spalding County. At the end of the current fiscal year, unreserved fund balance of the general fund was $4,310,343, while total fund balance reached $4,503,680. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.41% of total general fund expenditures, while total fund balance represents 11.93% of that same amount.

The fund balance of the County's General Fund increased by $375,831 during the current fiscal year. A one mil increase in property taxes contributed to this increase.

The 2005 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2005 General Obligation Sales Tax Bonds and the 2005 1% Special Purpose Local Option Sales Tax approved by voters in November 2005. These resources must be used to finance the acquisition of capital projects, including a County-wide eight hundred megahertz radio system for law enforcement, fire and rescue, and public works personnel, a Student Learning Center on the University of Georgia Griffin campus, and a Spalding County Senior Citizens Center expansion and renovation or the purchase of a new facility. At the end of the 2010 fiscal year, the 2005 SPLOST Capital Projects fund had an unreserved fund balance of $4,231,028, which is a decrease of 40.95% from the previous year. The eight hundred megahertz radio system has been completed with the exception of installation of mobile laptop computers in public safety vehicles. Also, construction is complete on the Student Learning Center on the University of Georgia Griffin campus. At the present time, the County is looking at several different options for a new Senior Center.

Spalding County voters approved a continuation of the 1% sales tax in November 2008. The 2008 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2008 General Obligation Sales Tax Bonds and the 2008 1% Special Purpose Local Option Sales Tax. The 2008 SPLOST will fund a new industrial park, a continuing education building on the local Southern Crescent Technical College campus and various infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. At the end of fiscal year 2010 the 2008 SPLOST Capital Projects fund had an unreserved fund balance of $9,947,749, which is an increase of $1,255,844 from the previous year.

Proprietary Funds. Spalding County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Workers' Compensation Trust Fund is the only proprietary fund of the County.

General Fund Budgetary Highlights

The net differences between the expenditures original budget and the final amended budget were $1,833,481 and can be summarized as follows:

- Increase in general government activities - $929,897, due primarily to the purchase of new computer hardware and financial software and related maintenance contracts;
- Increase in judicial services - $2,631;
- Increase in public safety functions - $542,918, due primarily to an increase in capital asset purchases;
- Increase in public works services - $9,815;
- Increase in health and welfare services - $265,000, due to increased funding of a dental clinic and medical clinic at the health department;
- Increase in culture and recreation activities - $35,728, due to an increase in capital asset purchases and related maintenance;
- Increase in housing and development functions - $47,492, due primarily to funding of summer and after school programs for children.

Of these increases, $265,000 was funded by a grant from the Griffin Spalding Hospital Authority, $46,500 was funded by a grant from the Spalding County Health Department, $740,960 was funded by capital lease proceeds, and $688,135 was funded through the use of fund balance. The remaining budget increase was to be funded by increased general fund revenues.

Actual General Fund revenues of $37,979,120 were less than final budgeted revenues by $1,243,055. The economic recession in Spalding County has resulted in reduced property tax and sales tax collections. Building permits, court fines and fees, and interest earnings have also been affected negatively by the downturn in the economy.

Actual General Fund expenditures of $37,760,712 were less than final budgeted expenditures of $40,591,505 by $2,830,793. In anticipation of an economic downturn, Spalding County implemented a hiring freeze for all departments with the exception of public safety in February of 2008. This savings in salaries and benefits coupled with a united effort by Spalding County elected officials, department heads and employees to reduce operating expenditures resulted in this large variance.

Capital Asset and Debt Administration

Capital Assets. Spalding County's investment in capital assets for its governmental activities as of June 30, 2010, amounts to $93,531,926 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Spalding County's Capital Assets
(Net of Depreciation)

	Governmental Activities 2010	Governmental Activities 2009
Land	$ 3,132,857	$ 3,132,857
Construction in progress	10,906,054	10,363,472
Land improvements	5,516,402	5,659,483
Buildings and improvements	26,884,956	26,262,152
Machinery and equipment	3,992,766	4,691,082
Furniture and fixtures	10,490	12,936
Intangibles	583,864	-
Infrastructure (roads)	42,504,537	43,451,898
Total	$ 93,531,926	$ 93,573,880

Overall, governmental capital assets decreased by a net amount of $41,954 during 2010 due to depreciation. Total governmental capital assets added during 2010 amounted to $3,532,065. Major projects consisted of the following:

- Construction of an Eight Hundred Megahertz Radio system is near completion. Construction in progress on the radio system at the close of the fiscal year had reached $10,724,012;
- $325,036 in donated subdivision roads were accepted by the County; and
- New computer hardware and financial software in the amount of $477,033 and donated right-of-way in the amount of $154,282 were added to intangible assets.

Additional information on the County's capital assets can be found in Note 6 on pages 43 – 45 of this report.

Long-term Debt. At the end of the current fiscal year, Spalding County, as the primary government, had total bonded debt outstanding in the form of general obligation bonds of $15,500,000.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the County is $154,735,558.

Spalding County maintains a "AAA" rating from Standard & Poor's and a "Aa3" rating from Moody's for general obligation debt. Additional information regarding the County's long-term debt can be found in Note 7 on pages 46 – 53 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Spalding County is currently 12.5%, which is a decrease from a rate of 16.5% one year ago. The unemployment rate for the State of Georgia at June 30, 2010, is 10.3%.
- Spalding County lost three major industries with the closing of Nacom and Cooper Standard during fiscal 2008, and Springs Industries during fiscal 2009. This has greatly impacted property tax revenues.
- Spalding County began experiencing an economic downturn during fiscal 2008. Monthly sales taxes have decreased and revenues associated with building permits, interest income, and state funded programs have steadily declined. In response, the County initiated a hiring freeze in February 2008 which is anticipated to continue through the end of fiscal 2011.

All of these factors were taken into consideration when preparing the 2011 budget. During the current fiscal year, unreserved, undesignated fund balance in the general fund increased 17.32% to $3,250,650. A total of $638,850 has been appropriated for spending in the 2011 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of Spalding County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, Spalding County, P.O. Box 1087, Griffin, Georgia 30224.

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BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government	Component Units		
	Governmental Activities	Health Department	Development Authority	Water Authority
ASSETS				
Cash and cash equivalents	$ 25,572,962	$ 824,637	$ 1,224,359	$ 4,549,703
Investments	2,172,088	-	2,080,000	-
Property taxes receivable	1,447,303	-	-	-
Accounts receivable	535,766	-	-	848,802
Interest receivable	27	-	51,758	-
Due from other governments	2,916,207	82,173	311,105	-
Deferred charges	195,237	-	-	393,160
Restricted assets:				
Bond sinking fund	-	-	-	1,113,580
Debt service reserve fund	-	-	-	988,000
Construction fund	-	-	-	7,329,358
Capital assets, non-depreciable	14,038,911	-	17,579,938	4,949,850
Capital assets, depreciable (net of accumulated depreciation)	79,493,015	12,475	474,453	14,843,563
Other noncurrent asset	400,015	-	-	-
Total assets	126,771,531	919,285	21,721,613	35,016,016
LIABILITIES				
Accounts payable	1,449,341	-	300,757	273,037
Accrued liabilities	417,617	-	4,440	1,482
Accrued interest payable	310,651	-	-	267,929
Due to other governments	152,128	20,920	-	-
Unearned revenue	477,528	-	-	-
Liabilities payable from restricted assets	-	-	-	965,000
Claims payable due within one year	195,763	-	-	-
Claims payable due in more than one year	83,902	-	-	-
Capital leases due within one year	501,291	-	-	-
Capital leases due in more than one year	3,118,074	-	-	-
Bonds payable due within one year	2,900,000	-	-	-
Bonds payable due in more than one year	12,691,377	-	-	14,222,846
Notes payable due in more than one year	-	-	3,793,120	-
Compensated absences due within one year	792,017	-	-	1,376
Compensated absences due in more than one year	528,010	107,508	-	917
Certificates of participation due within one year	346,033	-	-	-
Certificates of participation due in more than one year	5,771,739	-	-	-
Landfill due within one year	94,224	-	-	-
Landfill due in more than one year	1,136,513	-	-	-
Net OPEB obligation due in more than one year	136,146	-	-	-
Total liabilities	31,102,354	128,428	4,098,317	15,732,587
NET ASSETS				
Invested in capital assets, net of related debt	85,388,780	12,475	14,261,271	11,934,925
Restricted for:				
Capital improvements	15,653,285	-	-	-
Emergency communication	1,095,614	-	-	-
Debt service	5,133,237	-	-	868,651
Unrestricted	(11,601,739)	778,382	3,362,025	6,479,853
Total net assets	$ 95,669,177	$ 790,857	$ 17,623,296	$ 19,283,429

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 7,107,940	$ 1,983,902	$ 148,331	$ 29
Judicial	4,528,384	1,912,642	628,259	-
Public safety	26,524,500	5,968,936	146,191	500,883
Public works	5,398,943	174,533	35,000	325,393
Health and welfare	1,095,175	-	637,604	-
Culture and recreation	2,643,500	240,819	-	-
Housing and development	4,522,298	8,707	6,190	2,807
Interest on long-term debt	1,145,336	-	-	-
Total primary government	$ 52,966,076	$ 10,289,539	$ 1,601,575	$ 829,112
Component units:				
Health Department	$ 1,958,098	$ 636,277	$ 1,327,411	$ -
Development Authority	425,382	-	-	1,500,609
Water Authority	6,752,400	7,971,214	-	-
Total component units	$ 9,135,880	$ 8,607,491	$ 1,327,411	$ 1,500,609
General revenues:				
Property taxes				
Alcoholic beverage taxes				
Vehicle taxes				
Sales taxes				
Intangible taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of assets				
Other				
Total general revenues				
Change in net assets				
Net assets, beginning of year				
Net assets, end of year				

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

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government	Component Units		
Governmental Activities	Health Department	Development Authority	Water Authority
$ (4,975,678)	$ -	$ -	$ -
(1,987,483)	-	-	-
(19,908,490)	-	-	-
(4,864,017)	-	-	-
(457,571)	-	-	-
(2,402,681)	-	-	-
(4,504,594)	-	-	-
(1,145,336)	-	-	-
(40,245,850)	-	-	-
-	5,590	-	-
-	-	1,075,227	-
-	-	-	1,218,814
-	5,590	1,075,227	1,218,814
23,667,798	-	-	-
330,645	-	-	-
1,670,521	-	-	-
13,657,070	-	-	-
193,729	-	-	-
1,695,431	-	-	-
89,395	-	-	-
508,020	-	-	-
229,070	5,370	56,642	5,325
-	-	25,211	-
-	-	8,359	-
42,041,679	5,370	90,212	5,325
1,795,829	10,960	1,165,439	1,224,139
93,873,348	779,897	16,457,857	18,059,290
$ 95,669,177	$ 790,857	$ 17,623,296	$ 19,283,429

SPALDING COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS	General	Fire District	Capital Projects 2008 SPLOST	Capital Projects 2005 SPLOST
Cash and cash equivalents	$ 4,117,285	$ 269,483	$ 10,570,819	$ 4,231,001
Investments	-	-	-	-
Property taxes receivable	1,232,447	214,856	-	-
Accounts receivable	380,934	-	-	-
Interest receivable	-	-	-	27
Due from other governments	951,999	-	496,792	-
Due from other funds	56,391	-	-	-
Total assets	$ 6,739,056	$ 484,339	$ 11,067,611	$ 4,231,028
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 631,112	$ 8,336	$ 733,800	$ -
Accrued liabilities	329,177	72,330	-	-
Due to other governments	-	-	152,128	-
Due to other funds	7,010	-	-	-
Deferred revenue	1,268,077	202,239	233,934	-
Total liabilities	2,235,376	282,905	1,119,862	-
FUND BALANCES				
Fund balances:				
Reserved for:				
Encumbrances	192,908	119,763	-	-
Clerk of Superior Court	429	-	-	-
Unreserved, reported in:			-	
General fund, undesignated	3,250,650	-	-	-
General fund, designated for:			-	
Sales taxes	1,046,386	-	-	-
Tricentennial Celebration	1,981	-	-	-
Memorial Gifts	11,326	-	-	-
Special revenue funds, undesignated	-	81,671	-	-
Debt service funds, undesignated	-	-	-	-
Capital improvements funds, undesignated	-	-	9,947,749	4,231,028
Total fund balances	4,503,680	201,434	9,947,749	4,231,028
Total liabilities and fund balances	$ 6,739,056	$ 484,339	$ 11,067,611	$ 4,231,028

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.

Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.

Internal service funds are used by management to charge the costs of various benefits and services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Net assets of governmental activities

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

2008 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
$ 2,172,098	$ 4,178,976	$ 25,539,662
-	1,361,779	1,361,779
-	-	1,447,303
-	154,832	535,766
-	-	27
1,363,777	103,639	2,916,207
-	7,010	63,401
$ 3,535,875	$ 5,806,236	$ 31,864,145
$ -	$ 76,093	$ 1,449,341
-	16,110	417,617
-	-	152,128
-	56,391	63,401
-	-	1,704,250
-	148,594	3,786,737
-	50	312,721
-	-	429
-	-	3,250,650
-	-	1,046,386
-	-	1,981
-	-	11,326
-	2,301,070	2,382,741
3,535,875	1,597,362	5,133,237
-	1,759,160	15,937,937
3,535,875	5,657,642	28,077,408
$ 3,535,875	$ 5,806,236	
		93,531,926
		1,226,722
		(27,994,692)
		400,015
		(136,146)
		563,944
		$ 95,669,177

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General	Fire District	Capital Projects 2008 SPLOST	Capital Projects 2005 SPLOST
REVENUES				
Property taxes	$ 20,599,783	$ 3,028,876	$ -	$ -
Alcoholic beverage taxes	330,645	-	-	-
Vehicle taxes	1,670,521	-	-	-
Sales taxes	5,115,244	-	4,997,108	-
Other taxes	673,694	1,723,486	-	-
Licenses and permits	284,908	-	-	-
Intergovernmental	1,205,536	30,857	-	500,000
Charges for services	5,062,327	-	-	-
Court fees, fines and forfeitures	1,331,714	-	-	-
Interest	25,665	1,167	457	883
Contributions and donations	70,532	-	-	-
Rentals	208,565	-	-	-
Other	1,399,986	1,032	-	-
Total revenues	37,979,120	4,785,418	4,997,565	500,883
EXPENDITURES				
Current:				
General government	5,557,869	-	1,000	-
Judicial	4,241,488	-	-	-
Public safety	19,277,868	4,756,274	-	-
Public works	4,025,335	-	-	-
Health and welfare	854,177	-	-	-
Culture and recreation	2,407,369	-	-	-
Housing and development	746,916	-	-	-
Intergovernmental	-	-	1,591,440	-
Capital outlay	-	284,216	2,148,088	3,546,440
Debt service:				
Principal	424,755	241,163	-	-
Interest	224,935	91,421	1,193	-
Total expenditures	37,760,712	5,373,074	3,741,721	3,546,440
Excess (deficiency) of revenues over (under) expenditures	218,408	(587,656)	1,255,844	(3,045,557)
OTHER FINANCING SOURCES (USES)				
Transfers in	740,961	-	-	111,688
Transfers out	(583,538)	(34,000)	-	-
Total other financing sources (uses)	157,423	(34,000)	-	111,688
Net change in fund balances	375,831	(621,656)	1,255,844	(2,933,869)
FUND BALANCES, beginning of year	4,127,849	823,090	8,691,905	7,164,897
FUND BALANCES, end of year	$ 4,503,680	$ 201,434	$ 9,947,749	$ 4,231,028

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

2008 SPLOST Debt Service	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 23,628,659
-	-	330,645
-	-	1,670,521
3,519,115	-	13,631,467
-	89,395	2,486,575
-	-	284,908
-	296,325	2,032,718
-	1,402,598	6,464,925
-	599,436	1,931,150
29	152,413	180,614
-	-	70,532
-	-	208,565
-	5	1,401,023
3,519,144	2,540,172	54,322,302
-	38,050	5,596,919
-	256,049	4,497,537
-	1,522,044	25,556,186
-	-	4,025,335
-	230,641	1,084,818
-	-	2,407,369
-	117,086	864,002
-	-	1,591,440
-	12,000	5,990,744
-	143,512	809,430
635,904	183,576	1,137,029
635,904	2,502,958	53,560,809
2,883,240	37,214	761,493
-	505,850	1,358,499
-	(740,961)	(1,358,499)
-	(235,111)	-
2,883,240	(197,897)	761,493
652,635	5,855,539	27,315,915
$ 3,535,875	$ 5,657,642	$ 28,077,408

SPALDING 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, 2010

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

Net change in fund balances - total governmental funds	$	761,493
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(366,990)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		325,036
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		64,742
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		858,393
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.		77,146
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.		76,009
	$	1,795,829

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

SPALDING COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 22,450,076	$ 21,595,345	$ 20,599,783	$ (995,562)
Alcoholic beverage taxes	341,000	341,000	330,645	(10,355)
Vehicle taxes	34,000	1,634,000	1,670,521	36,521
Sales taxes	5,350,000	5,350,000	5,115,244	(234,756)
Other taxes	780,300	780,300	673,694	(106,606)
Licenses and permits	279,000	279,000	284,908	5,908
Intergovernmental	589,250	1,014,401	1,205,536	191,135
Charges for services	4,919,217	4,919,217	5,062,327	143,110
Court fees, fines and forfeitures	1,650,000	1,650,000	1,331,714	(318,286)
Interest	40,600	40,600	25,665	(14,935)
Contributions and donations	35,000	69,067	70,532	1,465
Rentals	212,280	212,280	208,565	(3,715)
Other	1,312,664	1,336,965	1,399,986	63,021
Total revenues	37,993,387	39,222,175	37,979,120	(1,243,055)
EXPENDITURES				
Current:				
General government:				
Board of commissioners	288,245	373,010	314,458	58,552
Board of elections	154,495	154,995	109,074	45,921
Administration	345,530	345,857	334,993	10,864
Finance	103,670	103,670	99,066	4,604
Information systems	136,437	204,766	199,610	5,156
Human resources	168,429	168,429	162,124	6,305
Tax commissioner	734,600	757,600	715,854	41,746
Tax assessors	795,922	818,822	598,304	220,518
Construction and maintenance	350,499	350,499	328,031	22,468
Janitorial services	121,752	121,752	113,757	7,995
General appropriations	2,021,101	2,751,177	2,582,598	168,579
Total general government	5,220,680	6,150,577	5,557,869	592,708
Judicial:				
Superior court	139,520	139,520	138,618	902
Griffin judicial circuit	905,932	906,815	847,315	59,500
Clerk of court	804,126	805,526	716,171	89,355
District attorney	438,472	438,472	439,120	(648)
State court	626,323	626,431	590,950	35,481
Solicitor	174,009	174,009	167,593	6,416
Magistrate court	697,250	697,490	660,326	37,164
Probate court	261,211	261,211	249,924	11,287
Public defender	38,985	38,985	38,192	793
Public defender circuit	393,159	393,159	393,279	(120)
Total judicial	4,478,987	4,481,618	4,241,488	240,130

(Continued)

SPALDING COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Current: (Continued)				
Public safety:				
Sheriff	$ 521,942	$ 522,579	$ 522,256	$ 323
Victim services	120,388	122,175	133,486	(11,311)
Warrant division	560,419	583,824	533,612	50,212
Criminal investigation division	866,132	866,982	843,554	23,428
Uniform patrol division	2,790,518	3,045,619	2,883,657	161,962
Jail	7,390,238	7,396,641	6,747,150	649,491
Narcotics task force	906,369	927,686	985,620	(57,934)
Correctional institution	5,986,301	6,008,353	5,606,473	401,880
Juvenile probation	473,742	473,742	475,742	(2,000)
Coroner	52,688	52,688	51,704	984
800 MHz communication	-	180,240	195,613	(15,373)
Animal control	304,566	310,566	280,873	29,693
Emergency management	6,440	31,566	18,128	13,438
Total public safety	19,979,743	20,522,661	19,277,868	1,244,793
Public works:				
Public works	3,271,290	3,281,105	2,881,206	399,899
Solid waste collection	984,284	984,284	888,975	95,309
Garage	267,989	267,989	255,154	12,835
Total public works	4,523,563	4,533,378	4,025,335	508,043
Health and welfare:				
Health	442,709	707,709	812,516	(104,807)
Welfare	94,305	94,305	41,661	52,644
Total health and welfare	537,014	802,014	854,177	(52,163)
Culture and recreation:				
Recreation	552,489	557,046	540,813	16,233
Senior citizens' bus	-	16,010	16,234	(224)
Parks	1,691,154	1,706,315	1,662,847	43,468
Libraries	187,475	187,475	187,475	-
Total culture and recreation	2,431,118	2,466,846	2,407,369	59,477
Housing and development:				
Cooperative extension service	154,355	154,355	126,003	28,352
Community development	511,145	511,583	464,697	46,886
Code enforcement	114,866	115,381	107,808	7,573
Enrichment of young minds	47,553	94,092	48,408	45,684
Total housing and development	827,919	875,411	746,916	128,495

(Continued)

SPALDING COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Debt service:				
Principal	$ 482,000	$ 482,000	$ 424,755	$ 57,245
Interest	277,000	277,000	224,935	52,065
Total debt service	759,000	759,000	649,690	109,310
Total expenditures	38,758,024	40,591,505	37,760,712	2,830,793
Excess (deficiency) of revenues over (under) expenditures	(764,637)	(1,369,330)	218,408	1,587,738
OTHER FINANCING SOURCES (USES)				
Transfers in	-	740,960	740,961	1
Transfers out	(474,850)	(474,850)	(583,538)	(108,688)
Total other financing sources (uses)	(474,850)	266,110	157,423	(108,687)
Net change in fund balances	(1,239,487)	(1,103,220)	375,831	1,479,051
FUND BALANCES, beginning of year	4,127,849	4,127,849	4,127,849	-
FUND BALANCES, end of year	$ 2,888,362	$ 3,024,629	$ 4,503,680	$ 1,479,051

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

SPALDING COUNTY, GEORGIA

FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 3,103,808	$ 3,159,515	$ 3,028,876	$ (130,639)
Other taxes	1,780,000	1,780,000	1,723,486	(56,514)
Intergovernmental	32,664	32,664	30,857	(1,807)
Interest	1,800	1,800	1,167	(633)
Other	-	-	1,032	1,032
Total revenues	4,918,272	4,973,979	4,785,418	(188,561)
EXPENDITURES				
Current:				
Public safety	5,087,340	5,097,835	4,756,274	341,561
Capital outlay	111,500	508,555	284,216	224,339
Debt service:				
Principal	330,000	330,000	241,163	88,837
Interest	129,000	129,000	91,421	37,579
Total expenditures	5,657,840	6,065,390	5,373,074	692,316
Deficiency of revenues under expenditures	(739,568)	(1,091,411)	(587,656)	503,755
OTHER FINANCING SOURCES (USES)				
Transfers in	125,815	125,815	-	(125,815)
Transfers out	(34,000)	(34,000)	(34,000)	-
Total other financing sources (uses)	91,815	91,815	(34,000)	(125,815)
Net change in fund balances	(647,753)	(999,596)	(621,656)	377,940
FUND BALANCES, beginning of year	823,090	823,090	823,090	-
FUND BALANCES (DEFICIT), end of year	$ 175,337	$ (176,506)	$ 201,434	$ 377,940

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Governmental Activities - Internal Service Funds
	Workers' Compensation
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 33,300
Investments	810,309
Total current assets	843,609
Total assets	843,609
LIABILITIES	
CURRENT LIABILITIES	
Current portion of claims payable	195,763
Total current liabilities	195,763
NONCURRENT LIABILITIES	
Claims payable, net of current portion	83,902
Total noncurrent liabilities	83,902
Total liabilities	279,665
NET ASSETS	
Unrestricted	563,944
Total net assets	$ 563,944

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

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds
	Workers' Compensation
OPERATING REVENUES	
Contributions	$ 550,946
Total operating revenues	550,946
OPERATING EXPENSES	
Claims paid	328,847
Administration and other costs	195,915
Total operating expenses	524,762
Operating income	26,184
NON-OPERATING REVENUES	
Interest income	49,825
Total non-operating revenues	49,825
Change in net assets	76,009
NET ASSETS, beginning of year	487,935
NET ASSETS, end of year	$ 563,944

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

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds
	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	$ 550,946
Payments for insurance claims	(306,847)
Payments to suppliers for services provided	(195,915)
Net cash provided by operating activities	48,184
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment purchases	(672,108)
Interest received	49,825
Net cash used in investing activities	(622,283)
Net decrease in cash and cash equivalents	(574,099)
Cash and cash equivalents, beginning of year	607,399
Cash and cash equivalents, end of year	$ 33,300
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 26,184
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Increase in claims payable	22,000
Net cash provided by operating activities	$ 48,184

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010

	Agency Funds
ASSETS	
Cash	$ 1,016,680
Taxes receivable	2,648,486
Accounts receivable	21,826
Total assets	$ 3,686,992
LIABILITIES	
Due to others	$ 3,686,992

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

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FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spalding County, Georgia (the "County") was created by a legislative act in the State of Georgia in 1851. The County operates under a Commission-County Manager form of government and has budgetary authority over the following functional areas: judicial and court systems, public safety, roads and bridges, health and welfare, water, landfill and general administrative services.

The financial statements of the County and its discretely presented component units, the Spalding County Water and Sewerage Facilities Authority (the "Water Authority"), the Griffin-Spalding Development Authority (the "Development Authority") and the Spalding County Department of Public Health (the "Health Department"), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

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. 14, "The Financial Reporting Entity," 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.

The Water Authority is governed by a nine-member board which is appointed by the governing authority of the County. The Water Authority provides water and related services to the citizens of Spalding County. The Water Authority is a means to issue revenue bonds and has the ability to finance, construct, equip and expand water transmission facilities throughout the County. The County approves the annual budget and provides substantially all funding of the Water Authority. The Water Authority is presented as an enterprise fund type component unit. There are no separately issued financial statements available for the Water Authority.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Health Department is governed by a seven-member board, four members of which are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department is presented as a governmental fund type component unit.

The Health Department's financial statements have been presented separately and can be obtained by writing to the Spalding County Department of Public Health, P.O. Box 129, Griffin, Georgia 30224.

The Development Authority is responsible for promoting industrial and commercial development within the City of Griffin and Spalding County. The Development Authority is responsible for making its own operating decisions. The Development Authority's budget must be approved by Spalding County. Spalding County provides substantially all funding for the Development Authority's annual budget and has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority. The Development Authority cannot issue bonded debt without approval by Spalding County; therefore, the Development Authority is fiscally dependent on Spalding County. The Development Authority is presented as a governmental type component unit.

The Development Authority's financial statements have been presented separately and can be obtained by writing to the Griffin-Spalding County Development Authority, P. O. Box 1009, Griffin, Georgia 30224.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 (agency funds do not have a measurement focus, but use the accrual basis of accounting). 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 government 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 ***fire district fund*** accounts for the operations and maintenance of fire protection services for all County taxpayers residing in unincorporated Spalding County. This fund also accounts for the acquisition and construction of fire stations and fire fighting vehicles and equipment. Financing is provided through a specific annual property tax levy, charges for services, and interest income.

The ***capital projects 2008 SPLOST fund*** accounts for the financial resources provided and subsequently expended from the 2008 General Obligation Sales Tax Bonds and the 2008 1% Special Purpose Local Option Sales Tax.

The ***capital projects 2005 SPLOST fund*** accounts for the financial resources provided and subsequently expended from the 2005 General Obligation Sales Tax Bonds and the 2005 1% Special Purpose Local Option Sales Tax.

The ***2008 SPLOST Debt Service fund*** accounts for the accumulation of resources for the payment of debt principal and interest for the 2008 General Obligation Sales Tax Bonds.

Additionally, the County reports the following fund types:

The ***internal service fund*** accounts for the County's self-insured Workers' Compensation program.

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 Tax Commissioner, Magistrate Court, Probate Court, Clerk of Superior Court, Correctional Institution, and Sheriff.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 and of the County's internal service funds are charges for goods and services provided. Operating expenses of the enterprise funds and internal service 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 non-operating 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.

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and discretely presented component units to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments are stated at fair value.

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."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

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.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The 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 business-type activities is included as part of the capitalized value of the assets constructed.

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

Asset Category	Years
Land improvements	30-50
Buildings and improvements	15-100
Machinery and equipment	5-15
Furniture and fixtures	10
Intangibles	50
Infrastructure	50

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 $27,994,692 difference are as follows:

Capital leases payable	$	(3,619,365)
General obligation bonds payable		(15,500,000)
Less: Deferred charge for issuance costs (to be amortized over life of debt)		195,237
Plus: Issuance premium (to be amortized against interest expense)		(91,377)
Certificates of participation		(6,583,362)
Less: Deferred fair value of interest rate swap		465,590
Landfill postclosure costs		(1,230,737)
Compensated absences		(1,320,027)
Accrued interest		(310,651)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(27,994,692)

Another element of this reconciliation explains that "revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $1,226,722 difference are as follows:

Deferred property tax revenue	$	1,325,840
Deferred sales tax revenue		366,472
Deferred fair value of interest rate swap		(465,590)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	1,226,722

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 changes in fund balances – total governmental funds* and *changes in net assets 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 $366,990 difference are as follows:

Capital outlay	$	3,207,029
Depreciation expense		(3,574,019)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(366,990)

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 assets." The details of this $858,393 difference are as follows:

Debt incurred:		
Landfill postclosure costs	$	(70,985)
Principal repayments:		
Capital leases		481,836
Certificates of participation		327,594
Landfill postclosure costs		119,948
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net assets - governmental activities*	$	858,393

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 $77,146 difference are as follows:

Compensated absences	$	(19,405)
Amortization of issuance costs		(41,837)
Amortization of premium on general obligation bonds		19,581
Accrued interest		13,949
Net OPEB obligation		(71,185)
Net pension asset		176,043
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	77,146

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to June 1, the County Manager submits a proposed budget to the Board of Commissioners governing expenditures of all County funds for the fiscal year commencing the following July 1.

2. In June, the Board of Commissioners holds three public hearings on the proposed budget to obtain citizen comments.

3. The budget is legally adopted by the Board of Commissioners before the end of June. The legal level of budgetary control is the department level.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts between object categories within departments requires the approval of the County Manager. Revisions that alter the total expenditures of any department or fund must be approved by the Board of Commissioners.

5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. Annual operating budgets are prepared for each Internal Service Fund for planning, control, and evaluation purposes.

   The supplementary budgetary appropriations made were not material.

   All appropriations, except for items encumbered at year end, lapse. Encumbrances for items not lapsing at year end are reappropriated in the ensuing year's budget. Budget information for expenditures and encumbrances represents the operating budget as approved by the Board of Commissioners.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2010, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund:	
District attorney	$ 648
Public defender circuit	120
Victim services	11,311
Narcotics task force	57,934
Juvenile probation	2,000
800 MHz communication	15,373
Health	104,807
Senior citizens bus	224
Multiple Grant Fund	19,061
Tourism Fund	6,295
2008 SPLOST Debt Service Fund	29
GMA Lease Pool Fund	128,750

The overexpenditures in the General Fund were funded by underexpenditures in other departments. The overexpenditures in the Multiple Grant Fund and 2008 SPLOST Debt Service Fund were funded by additional revenues. The overexpenditures in the Tourism Fund and GMA Lease Pool Fund were funded by fund balance.

D. Deficit Fund Equity

The Multiple Grant Fund had a deficit fund balance of $9,709 as of June 30, 2010. This deficit will be eliminated through future grant reimbursement proceeds.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2010 are summarized as follows:

Balances per statement of net assets:		
Cash and cash equivalents - Primary government	$	25,572,962
Cash and cash equivalents - Health Department		824,637
Cash and cash equivalents - Development Authority		1,224,359
Cash and cash equivalents - Water Authority		4,549,703
Investments - Primary government		2,172,088
Investments - Development Authority		2,080,000
Restricted assets:		
Water Authority - Bond sinking fund		1,113,580
Water Authority - Debt service reserve fund		988,000
Water Authority - Construction fund		7,329,358
Balances per statement of fiduciary net assets:		
Cash - Agency funds		1,016,680
	$	46,871,367
Balances by type:		
Cash deposited with financial institutions	$	18,761,123
Certificate of deposit		249,000
Money Market		25,938,156
Mutual Bond Funds		561,310
Guaranteed Investment Contract		1,361,778
	$	46,871,367

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of June 30, 2010, the County's investment in the guaranteed investment contract was rated A+ by Standard & Poor's. The mutual bond funds were not rated by a nationally recognized statistical rating organization. However, the fund investments are concentrated in U.S. government securities.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2010, the County had the following investments:

Investment	Maturities	Fair Value
Money Market	N/A	$ 16,507,218
Certificate of deposit	November 24, 2010	249,000
Pimco Funds Invt Mgmt Bond Fund	2.25 years duration	252,167
Ishares Treasury Barclays Tips Bond Fund	3.92 years duration	53,455
Templeton Income Tresuary Global Bond Fund	3.26 years duration	54,254
Vanguard Fixed Income Securities Bond Fund	2.06 years duration	201,434
Guaranteed Investment Contract	June 1, 2028	1,361,778
		$ 18,679,306

At June 30, 2010, the Water Authority had the following investment:

Investment	Maturities	Fair Value
Money Market	N/A	$ 9,430,938
		$ 9,430,938

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2010, all of the deposits of the County and the component units 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.

NOTE 5. RECEIVABLES

Receivables at June 30, 2010 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Capital Projects 2005 SPLOST	Fire District	Nonmajor and Other Funds
Receivables:				
Taxes	$ 1,679,503	$ -	$ 214,856	$ -
Accounts	380,934	-	-	154,832
Interest	-	27	-	-
Gross receivables	2,060,437	27	214,856	154,832
Less allowance for uncollectibles	447,056	-	-	-
Net total receivables	$ 1,613,381	$ 27	$ 214,856	$ 154,832

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County. The assessed value at January 1, 2009, upon which the fiscal 2010 levy was based, was the gross digest amount of $1,702,355,582 (40% of the estimated market value of $4,255,888,955).

The tax billing cycle for fiscal year 2010 is as follows:

Levy date	July 29, 2009
Tax bills mailed	September 15, 2009
Payment due date	November 15, 2009
Delinquency date	November 16, 2009
Lien date	December 16, 2009

The distribution of the County's levy (tax rate per $1,000 assessed value) as of June 30, 2010 is as follows:

General Government	14.88 mills
Fire District	3.23 mills
School System	18.80 mills
State of Georgia	.25 mills

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 3,132,857	$ -	$ -	$ -	$ 3,132,857
Construction in progress	10,363,472	2,487,758	-	(1,945,176)	10,906,054
Total	13,496,329	2,487,758	-	(1,945,176)	14,038,911
Capital assets, being depreciated:					
Land improvements	6,820,990	-	-	-	6,820,990
Buildings and improvements	39,535,207	-	-	1,468,143	41,003,350
Machinery and equipment	17,717,759	564,989	(5,138)	-	18,277,610
Furniture and fixtures	47,596	-	-	-	47,596
Intangibles	-	154,282	-	477,033	631,315
Infrastructure	79,191,441	325,036	-	-	79,516,477
Total	143,312,993	1,044,307	(5,138)	1,945,176	146,297,338
Less accumulated depreciation for:					
Land improvements	(1,161,507)	(143,081)	-	-	(1,304,588)
Buildings and improvements	(13,273,055)	(845,339)	-	-	(14,118,394)
Machinery and equipment	(13,026,677)	(1,263,305)	5,138	-	(14,284,844)
Furniture and fixtures	(34,660)	(2,446)	-	-	(37,106)
Intangibles	-	(47,451)	-	-	(47,451)
Infrastructure	(35,739,543)	(1,272,397)	-	-	(37,011,940)
Total	(63,235,442)	(3,574,019)	5,138		(66,804,323)
Total capital assets, being depreciated, net	80,077,551	(2,529,712)	-	1,945,176	79,493,015
Total capital assets, net	$ 93,573,880	$ (41,954)	$ -	$ -	$ 93,531,926

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

Governmental activities:	
General government	$ 389,381
Judicial	29,401
Public safety	1,468,670
Public works	1,431,165
Health and welfare	10,357
Culture and recreation	227,770
Housing and development	17,275
Total depreciation expense - governmental activities	$ 3,574,019

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 223,932	$ 7,179	$ -	$ 231,111
Less accumulated depreciation for:				
Machinery and equipment	(203,012)	(15,624)	-	(218,636)
Total capital assets, net	$ 20,920	$ (8,445)	$ -	$ 12,475

C. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,796,936	$ -	$ -	$ 3,796,936
Land development costs	633,238	-	-	633,238
Land, industrial parks	3,035,051	-	-	3,035,051
Construction in progress	8,614,104	1,500,609	-	10,114,713
Total	16,079,329	1,500,609	-	17,579,938
Capital assets, being depreciated:				
Buildings	693,195	-	-	693,195
Furniture and fixtures	163,334	-	-	163,334
Total	856,529	-	-	856,529
Less accumulated depreciation for:				
Buildings	(205,259)	(17,330)	-	(222,589)
Furniture and fixtures	(155,703)	(3,784)	-	(159,487)
Total	(360,962)	(21,114)	-	(382,076)
Total capital assets, being depreciated, net	495,567	(21,114)	-	474,453
Total capital assets, net	$ 16,574,896	$ 1,479,495	$ -	$ 18,054,391

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Discretely Presented Component Unit – Water Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 13,500	$ -	$ -	$ 13,500
Construction in progress	2,555,199	2,381,151	-	4,936,350
Total	2,568,699	2,381,151	-	4,949,850
Capital assets, being depreciated:				
Water delivery system	21,813,113	-	-	21,813,113
Sewer system	432,064	-	-	432,064
Buildings	48,751	-	-	48,751
Machinery and equipment	868,635	-	-	868,635
Intangibles	-	128,779	-	128,779
Total	23,162,563	128,779	-	23,291,342
Less accumulated depreciation for:				
Water delivery system	(7,053,339)	(436,262)	-	(7,489,601)
Sewer system	(47,526)	(8,641)	-	(56,167)
Buildings	(32,370)	(2,141)	-	(34,511)
Machinery and equipment	(860,087)	(5,347)	-	(865,434)
Intangibles	-	(2,066)	-	(2,066)
Total	(7,993,322)	(454,457)	-	(8,447,779)
Total capital assets, being depreciated, net	15,169,241	(325,678)	-	14,843,563
Total capital assets, net	$ 17,737,940	$ 2,055,473	$ -	$ 19,793,413

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2008 General obligation bonds	$ 15,500,000	$ -	$ -	$ 15,500,000	$ 2,900,000
Plus unamortized premium	110,958	-	(19,581)	91,377	-
General obligation bonds, net	15,610,958	-	(19,581)	15,591,377	2,900,000
Certificates of participation	6,910,956	-	(327,594)	6,583,362	346,033
Less deferred fair value of interest rate swap	(304,775)	(160,815)	-	(465,590)	-
Certificates of participation, net	6,606,181	(160,815)	(327,594)	6,117,772	346,033
Capital leases	4,101,201	-	(481,836)	3,619,365	501,291
Claims payable	257,665	350,847	(328,847)	279,665	195,763
Compensated absences	1,300,622	1,008,248	(988,843)	1,320,027	792,017
Landfill postclosure costs	1,279,700	70,985	(119,948)	1,230,737	94,224
Net OPEB obligation	64,961	98,399	(27,214)	136,146	-
Governmental activities Long-term liabilities	$ 29,221,288	$ 1,367,664	$ (2,293,863)	$ 28,295,089	$ 4,829,328

For governmental activities, compensated absences, landfill postclosure costs, and net OPEB obligation are generally liquidated by the General Fund.

The beginning balance of governmental activities above has been decreased by $304,775 to properly reflect the implementation of GASB 53 and the recording of the County's interest rate swap agreement.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions.

The cost of assets under capital leases as of June 30, 2010:

	Governmental Activities
Machinery and equipment	$ 3,829,568
Buildings	1,500,000
	$ 5,329,568

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's total capital lease debt service requirements to maturity are as follows:

Fiscal year ending June 30,	
2011	$ 642,925
2012	642,925
2013	642,925
2014	547,197
2015	458,397
2016-2019	1,278,427
Total minimum lease payments	4,212,796
Less amount representing interest	593,431
Present value of future minimum lease payments	$ 3,619,365

General Obligation Bonds. During the year ended June 30, 2009, the County issued general obligation bonds in the amount of $15,500,000. The bond proceeds are to be used to finance the acquisition of various capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

General obligation bonds outstanding at June 30, 2010 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Various	3.50 - 5.00%	6 years	2015	$ 15,500,000	$ 15,500,000
	Plus unamortized premium				91,377
					$ 15,591,377

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. (Continued) Debt service requirements to maturity on the general obligation bonds are as follows:

Fiscal year ending June 30,	Principal	Interest
2011	$ 2,900,000	$ 635,875
2012	3,000,000	519,875
2013	3,100,000	399,875
2014	3,200,000	285,125
2015	3,300,000	132,000
Total	$ 15,500,000	$ 1,972,750

Certificates of Participation. During fiscal year 2000, the County entered into lease-purchase agreements with the Association County Commissioners of Georgia for the construction of a new correctional institution issuing certificates of participation in the amount of $3,450,000 with an interest rate of 5.62% and for the purchase of real property issuing certificates of participation in the amount of $2,045,000 with an interest rate of 7.92%. During the year ended June 30, 2005, the County entered into a lease-purchase agreement with the Association County Commissioners of Georgia for the purchase of real property. Certificates of participation in the amount of $750,000 with an interest rate of 4.74% were issued in connection with the lease purchase agreement.

In June 1998, the Government entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the Government's participation totaling $2,500,000. The lease pool agreement with the Association provides that the Government owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The Government draws from the investment to lease equipment from the Association. The lease pool agreement requires the Government to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. (Continued) As part of the issuance of the certificates of participation, the Government entered into an interest rate swap agreement. Under the Swap Agreement, the Government is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the Government a semiannual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the Government are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the Government, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the Government's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the Government would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the Government executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2010, the floating rate being paid by the Government is 0.56% and the market value of this agreement is $465,590, an increase of $160,815 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2010 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net assets.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. (Continued) Annual debt service requirements on the certificates of participation are as follows:

Fiscal year ending June 30,	Principal	Interest
2011	$ 346,033	$ 300,381
2012	369,642	283,731
2013	393,515	265,963
2014	412,529	247,272
2015	441,643	227,626
2016-2020	2,120,000	846,320
2021-2025	-	593,750
2026-2028	2,500,000	356,250
Total	$ 6,583,362	$ 3,121,293

Landfill Postclosure Costs. Effective October 3, 1993, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2010, the County has a remaining 15 years of monitoring. Engineering studies estimate postclosure costs of approximately $1,230,737 over the 15-year period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2010. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Water Authority

The following is a summary of long-term debt activity for the Water Authority for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2002	$ 4,890,000	$ -	$ (935,000)	$ 3,955,000	$ 965,000
Deferred amounts:					
Premium	42,612	-	(10,226)	32,386	-
Refunding loss	(169,059)	-	40,574	(128,485)	-
Bonds payable, Series 2008	11,380,000	-	-	11,380,000	-
Deferred amounts:					
Discount	(53,931)	-	2,876	(51,055)	-
Total bonds payable	16,089,622	-	(901,776)	15,187,846	965,000
Compensated absences	11,566	4,343	(13,616)	2,293	1,376
Water Authority					
Long-term liabilities	$ 16,101,188	$ 4,343	$ (915,392)	$ 15,190,139	$ 966,376

Revenue Bonds Payable. During the year ended June 30, 2003, the Water Authority issued revenue bonds in the amount of $9,880,000. The bond proceeds were used to refund the Water Authority's series 1992 revenue bonds. During the year ended June 30, 2009, the Water Authority issued revenue bonds in the amount of $11,380,000. The bond proceeds are to be used to finance additions and improvements to the water and sewerage system. The principal and interest on the bonds is payable from the net revenues of the Water Authority and certain payments made to the Water Authority by the County pursuant to a contract between the Water Authority and the County. Revenue bonds outstanding at June 30, 2010, are as follows:

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Water Authority (Continued)

Revenue Bonds Payable. (Continued)

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Water Authority-Series 2002	3.00 - 4.00%	10 years	2013	$ 9,880,000	$ 3,955,000
	Plus unamortized premium				32,386
	Less unamortized deferred refunding loss				(128,485)
					$ 3,858,901
Water Authority-Series 2008	4.00%	20 years	2028	$ 11,380,000	$ 11,380,000
	Less unamortized discount				(51,055)
					$ 11,328,945

Debt service requirements to maturity on the revenue bonds are as follows:

Fiscal year ending June 30,	Principal	Interest
2011	$ 965,000	$ 785,694
2012	990,000	747,800
2013	1,000,000	708,000
2014	1,020,000	667,600
2015	140,000	644,400
2016-2020	2,415,000	2,434,719
2021-2025	4,300,000	2,274,762
2026-2029	4,505,000	878,938
Total	$ 15,335,000	$ 9,141,913

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Development Authority

The following is a summary of long-term debt activity for the Development Authority for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	$ 3,793,120	$ -	$ -	$ 3,793,120	$ -
Development Authority Long-term liabilities	$ 3,793,120	$ -	$ -	$ 3,793,120	$ -

Note Payable. In October 2002, the Development Authority purchased land in Spalding County to be used for development and re-sale. The land was acquired by trust deed with an agreement that the Development Authority would submit the land to the County for inclusion in the 2003 SPLOST referendum. According to the trust agreement, if the County included the property in the SPLOST referendum and if the same passed, the Development Authority would apply the proceeds from the SPLOST to the purchase of the property from the Trust at the price of $20,000 per acre. In the event the County did not include the property in the referendum or if the referendum failed, the Authority would execute a deed to secure the debt.

In 2003, the Authority executed a deed to secure debt to the Trust in accordance with the terms of the original agreement. The debt is payable at the rate of $20,000 per acre, as and when parcels within the property are sold. However, the purchase price must be paid in full on or before June 4, 2014. In the event that on June 4, 2014, any portion of the debt remains unpaid, the Authority shall have the option of either paying the debt remaining in full or conveying back to the Trust those portions of the real property that remain unsold.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 56,391
Nonmajor governmental funds	General Fund	7,010
		$ 63,401

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. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	$ 740,961
2005 SPLOST Fund	General Fund	111,688
Nonmajor governmental funds	General Fund	471,850
Nonmajor governmental funds	Fire District Fund	34,000
		$ 1,358,499

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 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The County sponsors the Association County Commissioners of Georgia Spalding County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan 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. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2010, (the most recent actuarial valuation date) are as follows:

	January 1, 2010	January 1, 2009
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 1,050,048	$ 1,001,947
Interest on Net Pension Obligation	(31,001)	(17,312)
Amortization of Net Pension Obligation	33,171	18,523
Annual Pension Cost	$ 1,052,218	$ 1,003,158

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Derivation of Net Pension Obligation

Annual Pension Cost for Prior Year	$ 1,003,158
Actual Contributions to Plan for Prior Year	1,179,201
Increase in Net Pension Obligation	(176,043)
Net Pension Obligation (Asset) as of Beginning of Prior Year	(223,972)
Net Pension Obligation (Asset) as of Beginning of Year	$ (400,015)

Basis of Valuation

Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	5.0%-7.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	10

Trend Information for The Plan

Plan Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
1/1/10	$ 1,052,218	$ N/A	N/A %	$ (400,015)
1/1/09	1,003,158	1,179,201	118	(223,972)
1/1/08	716,603	805,360	112	(135,215)
1/1/07	702,143	817,161	116	(20,197)
1/1/06	265,866	264,239	99	(21,824)
1/1/05	258,676	261,944	101	(18,556)

As of the most recent valuation date, January 1, 2008, the funded status of the Plan was as follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 15,376,875	$ 21,055,139	$ 5,678,264	73.0%	$ 14,362,445	39.5%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. 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 long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The Spalding County Money Purchase Pension Plan (the Plan) is a single employer defined contribution plan established and administered by the Spalding County Board of Commissioners for substantially all of its full time employees. The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Spalding County Board of Commissioners. At June 30, 2010, there were 500 plan members.

Employees are not required to contribute to the Plan. For employees who have not elected to participate in The Three-Tier Defined Benefit Plan, the County contributes an amount equal to 4% of each participant's compensation plus an amount equal to 50% of the amount contributed by the participant to the Spalding County Commission Public Employee Deferred Compensation Program, except that the County shall not match such participant's deferrals as provided in excess of 8% of the participant's compensation. For employees who have elected to participate in The Three-Tier Defined Benefit Plan, the County contributes an amount equal to 50% of the amount contributed by the participant to the Spalding County Commission Public Employee Deferred Compensation Program, except that the County shall not match such participant's deferrals as provided in excess of 8% of the participant's compensation. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the fiscal year ending June 30, 2010, the County's contribution to the Plan was $662,321. The amount contributed by employees was $835,298.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

In accordance with GASB 45 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the County for the year ended June 30, 2010. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2010.

The County provides postretirement health care benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Spalding County Board of Commissioners. The requirements are that the employee must retire from the County after 15 years of continuous service and must have attained the age of 55. The benefits are offered until the retiree turns 65 and is eligible for Medicare and/or the employee becomes covered under the plan of another employer. The County pays 50% of the premium and the employee must pay the remaining 50%. Currently, seven employees are enrolled in postretirement health care benefits.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the postretirement benefit plan as of June 30, 2009.

Active members	511
Retired members	4
	515

Contributions

The County contributed $27,214 to the postretirement benefit plan in fiscal year 2010. The annual required contribution amount is determined using actuarial methods and assumptions approved by the County Commission. The Commission established and may amend the funding policy for the postretirement benefit plan.

Schedule of Employer Costs and Contributions

Fiscal Year Beginning	Annual Required Contribution/ Annual OPEB Cost	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
7/1/09	$ 98,399	$ 27,214	28 %	$ 136,146
7/1/08	98,399	33,438	34	64,961

As of the most recent valuation date, June 30, 2009, the funded status of the postretirement benefit plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
06/30/09	$ -	$ 653,967	$ 653,967	- %	$ 18,536,060	3.5 %

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued 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 plan in effect at June 30, 2009. The assumptions used in the June 30, 2009 actuarial valuation are as follows:

Basis of Valuation

Current Valuation Date	June 30, 2009
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Discount Rate	6.5%
Medical Cost Trend Rate	10.0% grading down to 5.0% over 5 years
Amortization Method	Level Dollar (Open)
Remaining Amortization Period	30 years

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. Additionally, the County purchases health insurance and dental insurance from a private carrier. No reduction in insurance coverage has occurred since the previous year, and no settlements in excess of coverage have been paid in the past three years.

The County has established a risk management fund (Workers' Compensation Trust Fund), an internal service fund, where assets are set aside for claim settlements. This fund covers the employees of the Water Authority as well. Under this program, the risk management fund provides coverage for up to a maximum of $300,000 for each workers' compensation claim.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The County has joined together with other municipalities in the state as a member 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. 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.

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 unincorporated nonprofit instrumentalities 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 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. The County files all claims with GSIWCF, and GSIWCF invoices the County monthly for any risk of loss up to the deductible amounts.

The claims liability of $279,665 as of June 30, 2010, of the Workers' Compensation Trust Fund is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Incurred-But-Not-Reported (IBNR) claims have been accrued as claims liabilities based primarily upon the fund's third party administrator's claims projections and are included in current year claims estimates.

Changes in the balances of claims liabilities for the Workers' Compensation Trust Fund in fiscal year 2010 and 2009 were as follows:

Workers' Compensation Trust Fund	June 30, 2010	June 30, 2009
Unpaid claims, beginning of fiscal year	$ 257,665	$ 354,608
Incurred claims (including IBNRs)	350,847	124,360
Claim payments and changes in estimates	(328,847)	(221,303)
Unpaid claims, end of fiscal year	$ 279,665	$ 257,665

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

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.

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

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2010, the County, jointly with the City of Griffin, provided funding for the Griffin-Spalding County Airport ("Airport"). On September 29, 1992, the Board of Commissioners approved funding for one half of the Airport's operating deficit for an unspecified period of time. The total paid to the Airport for fiscal year 2010 was $122,407.

Information concerning the financial statements may be obtained from the Griffin-Spalding County Airport, P.O. Box T, Griffin, Georgia 30224.

Three Rivers Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in a ten county central Georgia area, is a member of the Three Rivers Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2010, the County paid $40,194 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC. The RC Board membership is made up of representatives appointed by each county seat and respective county government member and also includes private citizen and minority representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Information concerning the financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

NOTE 15. JOINTLY GOVERNED ORGANIZATION

Land Bank Authority

During the year ended June 30, 2006, the County along with the City of Griffin entered into an inter-local cooperation agreement for the purpose of establishing the Griffin / Spalding County Land Bank Authority (the "Authority"). The Authority's purpose is to return land which is in a non-revenue generating, non-tax producing status to an effective utilization status in order to provide affordable housing, new trade, commerce, industry, and employment opportunities for the citizens of the County and the City of Griffin. The Authority is governed by a four member board of directors appointed equally by the County and the City of Griffin. The total paid to the Authority for fiscal year 2010 was $10,000. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the year ended June 30, 2010, the County levied a 3% lodging tax. The Official Code of Georgia Annotated 48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended June 30, 2010, the County collected $89,395 of hotel/motel taxes. Management represents that $109,775, or 123%, of the lodging tax received during the year ended June 30, 2010 was used for the promotion of tourism. The remainder has been reserved for the future promotion of tourism, conventions, or trade shows.

NOTE 17. SUBSEQUENT EVENT

On November 1, 2010, the County issued a tax anticipation note for cash flow purposes for an amount not to exceed $2,500,000. The note has an interest rate of 2.11% with a maturity date of December 30, 2010.

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REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FUNDING PROGRESS

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2009	$ 15,376,875	$ 21,055,139	$ 5,678,264	73.0%	$ 14,362,445	39.5%
12/31/2008	14,162,420	18,451,360	4,288,940	76.8%	13,432,950	31.9%
12/31/2007	14,578,226	17,820,040	3,241,814	81.8%	11,714,025	27.7%
12/31/2006	13,451,400	13,033,873	(417,527)	103.2%	6,075,630	-6.9%
12/31/2005	12,413,666	12,827,772	414,106	96.8%	6,043,101	6.9%
12/31/2004	12,043,772	11,911,532	(132,240)	101.1%	6,049,239	-2.2%

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

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NONMAJOR GOVERNMENTAL FUNDS

SPALDING COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Community Services Block Grant	To account for expenditures applicable to the Community Services Block Grant. Revenues are received from the federal government through the State of Georgia.
Emergency 911	To account for emergency services which are provided to all County taxpayers. Financing is provided through user fees and charges and contributions from the General Fund.
Confiscated Assets	To account for monies confiscated under federal and state law by Spalding County law enforcement officers related to controlled substance offenses. Such monies are restricted to defray the cost of complex investigations and to purchase equipment relating to said investigations.
Law Library	To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.
Multiple Grant	To account for funds received under federal and state grant programs and the matching transfers from other funds.
Tourism	To account for the collection of hotel/motel tax collected by the County.
Local Victims Assistance Program	To account for the receipt of fine surcharges from the State Court and Superior Court of Spalding County designated by state law for victims assistance.
Griffin Judicial Circuit Drug Court	To account for collection of additional penalties for certain drug related crimes and for expenditures of those funds solely and exclusively for drug abuse treatment and education programs.

Debt Service Funds

2005 SPLOST Debt Service — To account for the accumulation of resources for the payment of debt principal and interest for the 2005 General Obligation Sales Tax Bonds.

GMA Lease Pool Debt Service — To account for investments held as proceeds of the 1998 GMA Lease Pool and the accumulation of resources for the repayment of debt for the 1998 GMA Lease Pool.

Capital Projects Funds

Capital Projects General — To account for the financial resources to be used for the purchase and construction of major capital facilities, other than those accounted for in specific funds. Financing is provided through contributions from the General Fund.

Capital Projects Grant — To account for the financial resources provided by a grant from the Georgia Department of Corrections for the construction of a new correctional facility to house state inmates.

Impact Fees — To account for the capital projects activity funded by developmental impact fees.

CDBG EIP Sumika Grant — To account for revenues and expenditures applicable to the Community Development Block Grant (CDBG)-Employment Incentive Program Grant. Revenues were received from the federal government via passthrough from the State of Georgia and utilized to fund rail spur improvements for Sumika Polymer Compounds America, Inc. in the Green Valley Industrial Park.

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SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue			
ASSETS	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library
Cash and cash equivalents	$ 8,449	$ 958,711	$ 455,981	$ 154,652
Investments	-	-	-	-
Accounts receivable	-	154,832	-	-
Due from other governments	57,020	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 65,469	$ 1,113,543	$ 455,981	$ 154,652
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 33,125	$ 1,819	$ 394	$ 1,420
Accrued liabilities	-	16,110	-	-
Due to other funds	-	-	-	-
Total liabilities	33,125	17,929	394	1,420
FUND BALANCES (DEFICIT)				
Reserved for:				
Encumbrances	-	50	-	-
Unreserved; undesignated	32,344	1,095,564	455,587	153,232
	32,344	1,095,614	455,587	153,232
Total liabilities and fund balances	$ 65,469	$ 1,113,543	$ 455,981	$ 154,652

					Debt Service	
Multiple Grant	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	2005 SPLOST Debt Service	GMA Lease Pool Debt Service
$ -	$ 377,540	$ 193,117	$ 33,433	$ -	$ 235,583
-	-	-	-	-	1,361,779
-	-	-	-	-	-
43,417	-	-	3,202	-	-
-	-	7,010	-	-	-
$ 43,417	$ 377,540	$ 200,127	$ 36,635	$ -	$ 1,597,362
$ 38,930	$ -	$ -	$ 405	$ -	$ -
-	-	-	-	-	-
14,196	-	39,845	-	-	-
53,126	-	39,845	405	-	-
-	-	-	-	-	-
(9,709)	377,540	160,282	36,230	-	1,597,362
(9,709)	377,540	160,282	36,230	-	1,597,362
$ 43,417	$ 377,540	$ 200,127	$ 36,635	$ -	$ 1,597,362

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

ASSETS	Capital Projects			
	Capital Projects General	Impact Fees	CDBG EIP Sumika Grant	Total
Cash and cash equivalents	$ 284,652	$ 1,474,508	$ 2,350	$ 4,178,976
Investments	-	-	-	1,361,779
Accounts receivable	-	-	-	154,832
Due from other governments	-	-	-	103,639
Due from other funds	-	-	-	7,010
Total assets	$ 284,652	$ 1,474,508	$ 2,350	$ 5,806,236
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 76,093
Accrued liabilities	-	-	-	16,110
Due to other funds	-	-	2,350	56,391
Total liabilities	-	-	2,350	148,594
FUND BALANCES (DEFICIT)				
Reserved for:				
Encumbrances	-	-	-	50
Unreserved; undesignated	284,652	1,474,508	-	5,657,592
	284,652	1,474,508	-	5,657,642
Total liabilities and fund balances	$ 284,652	$ 1,474,508	$ 2,350	$ 5,806,236

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SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Special Revenue			
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library
REVENUES				
Other taxes	-	-	-	-
Intergovernmental	206,339	-	-	-
Charges for services	-	1,141,770	-	-
Court fees, fines and forfeitures	-	-	446,245	39,077
Interest	-	1,301	812	1,317
Other	-	5	-	-
Total revenues	206,339	1,143,076	447,057	40,394
EXPENDITURES				
Current:				
General government	31,799	-	-	-
Judicial	15,322	-	-	38,865
Public safety	-	1,301,830	220,214	-
Health and welfare	162,580	-	-	-
Housing and development	7,311	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	217,012	1,301,830	220,214	38,865
Excess (deficiency) of revenues over (under) expenditures	(10,673)	(158,754)	226,843	1,529
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(10,673)	(158,754)	226,843	1,529
FUND BALANCES (DEFICIT), beginning of year	43,017	1,254,368	228,744	151,703
FUND BALANCES (DEFICIT), end of year	$ 32,344	$ 1,095,614	$ 455,587	$ 153,232

Multiple Grant	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	Debt Service: 2005 SPLOST Debt Service	Debt Service: GMA Lease Pool Debt Service
-	89,395	-	-	-	-
68,886	-	-	21,100	-	-
-	-	-	-	-	-
-	-	58,134	55,980	-	-
-	468	1,262	59	-	145,134
-	-	-	-	-	-
68,886	89,863	59,396	77,139	-	145,134
-	-	-	-	-	-
-	-	78,888	122,974	-	-
-	-	-	-	-	-
68,061	-	-	-	-	-
-	109,775	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	14	128,750
68,061	109,775	78,888	122,974	14	128,750
825	(19,912)	(19,492)	(45,835)	(14)	16,384
-	-	-	-	-	485,850
-	-	-	-	-	(740,961)
-	-	-	-	-	(255,111)
825	(19,912)	(19,492)	(45,835)	(14)	(238,727)
(10,534)	397,452	179,774	82,065	14	1,836,089
$ (9,709)	$ 377,540	$ 160,282	$ 36,230	$ -	$ 1,597,362

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects			
	Capital Projects General	Impact Fees	CDBG EIP Sumika Grant	Total
REVENUES				
Other taxes	-	-	-	89,395
Intergovernmental	-	-	-	296,325
Charges for services	-	260,828	-	1,402,598
Court fees, fines and forfeitures	-	-	-	599,436
Interest	327	1,733	-	152,413
Other	-	-	-	5
Total revenues	327	262,561	-	2,540,172
EXPENDITURES				
Current:				
General government	-	6,251	-	38,050
Judicial	-	-	-	256,049
Public safety	-	-	-	1,522,044
Health and welfare	-	-	-	230,641
Housing and development	-	-	-	117,086
Capital outlay	-	12,000	-	12,000
Debt service:				
Principal	-	143,512	-	143,512
Interest	-	54,812	-	183,576
Total expenditures	-	216,575	-	2,502,958
Excess (deficiency) of revenues over (under) expenditures	327	45,986	-	37,214
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	-	-	505,850
Transfers out	-	-	-	(740,961)
Total other financing sources (uses)	20,000	-	-	(235,111)
Net change in fund balances	20,327	45,986	-	(197,897)
FUND BALANCES (DEFICIT), beginning of year	264,325	1,428,522	-	5,855,539
FUND BALANCES (DEFICIT), end of year	$ 284,652	$ 1,474,508	$ -	$ 5,657,642

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SPALDING COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	218,895	206,339	(12,556)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	218,895	206,339	(12,556)
EXPENDITURES			
Current:			
General government	20,000	31,799	(11,799)
Judicial	16,860	15,322	1,538
Public safety	-	-	-
Public works	-	-	-
Health and welfare	176,220	162,580	13,640
Housing and development	5,815	7,311	(1,496)
Total expenditures	218,895	217,012	1,883
Excess (deficiency) of revenues over (under) expenditures	-	(10,673)	(10,673)
OTHER FINANCING USES			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	-	(10,673)	(10,673)
FUND BALANCES (DEFICIT), beginning of year	43,017	43,017	-
FUND BALANCES (DEFICIT), end of year	$ 43,017	$ 32,344	$ (10,673)

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
963,437	1,141,770	178,333	-	-	-
-	-	-	300,000	446,245	146,245
11,000	1,301	(9,699)	-	812	812
-	5	5	-	-	-
974,437	1,143,076	168,639	300,000	447,057	147,057
-	-	-	-	-	-
-	-	-	-	-	-
1,431,624	1,301,830	129,794	300,000	220,214	79,786
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,431,624	1,301,830	129,794	300,000	220,214	79,786
(457,187)	(158,754)	298,433	-	226,843	226,843
-	-	-	-	-	-
-	-	-	-	-	-
(457,187)	(158,754)	298,433	-	226,843	226,843
1,254,368	1,254,368	-	228,744	228,744	-
$ 797,181	$ 1,095,614	$ 298,433	$ 228,744	$ 455,587	$ 226,843

(Continued)

SPALDING COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	48,000	39,077	(8,923)
Interest	-	1,317	1,317
Other	-	-	-
Total revenues	48,000	40,394	(7,606)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	52,000	38,865	13,135
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	52,000	38,865	13,135
Excess (deficiency) of revenues over (under) expenditures	(4,000)	1,529	5,529
OTHER FINANCING USES			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(4,000)	1,529	5,529
FUND BALANCES (DEFICIT), beginning of year	151,703	151,703	-
FUND BALANCES (DEFICIT), end of year	$ 147,703	$ 153,232	$ 5,529

Multiple Grant			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 103,000	$ 89,395	$ (13,605)
49,000	68,886	19,886	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	480	468	(12)
-	-	-	-	-	-
49,000	68,886	19,886	103,480	89,863	(13,617)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
49,000	68,061	(19,061)	-	-	-
-	-	-	103,480	109,775	(6,295)
49,000	68,061	(19,061)	103,480	109,775	(6,295)
-	825	825	-	(19,912)	(19,912)
-	-	-	-	-	-
-	-	-	-	-	-
-	825	825	-	(19,912)	(19,912)
(10,534)	(10,534)	-	397,452	397,452	-
$ (10,534)	$ (9,709)	$ 825	$ 397,452	$ 377,540	$ (19,912)

(Continued)

SPALDING COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	100,000	58,134	(41,866)
Interest	-	1,262	1,262
Other	-	-	-
Total revenues	100,000	59,396	(40,604)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	140,000	78,888	61,112
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	140,000	78,888	61,112
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(19,492)	20,508
OTHER FINANCING USES			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(40,000)	(19,492)	20,508
FUND BALANCES (DEFICIT), beginning of year	179,774	179,774	-
FUND BALANCES (DEFICIT), end of year	$ 139,774	$ 160,282	$ 20,508

Griffin Judicial Circuit Drug Court		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
30,000	21,100	(8,900)
-	-	-
83,500	55,980	(27,520)
-	59	59
-	-	-
113,500	77,139	(36,361)
-	-	-
135,165	122,974	12,191
-	-	-
-	-	-
-	-	-
135,165	122,974	12,191
(21,665)	(45,835)	(24,170)
-	-	-
-	-	-
(21,665)	(45,835)	(24,170)
82,065	82,065	-
$ 60,400	$ 36,230	$ (24,170)

SPALDING COUNTY, GEORGIA

DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	2008 SPLOST Debt Service		
REVENUES	**Final Budget**	**Actual**	**Variance With Final Budget**
Sales taxes	$ 635,875	$ 3,519,115	$ 2,883,240
Interest	-	29	29
Total revenues	635,875	3,519,144	2,883,269
EXPENDITURES			
Debt service:			
Interest	635,875	635,904	(29)
Total expenditures	635,875	635,904	(29)
Excess of revenues over expenditures	-	2,883,240	2,883,240
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	2,883,240	2,883,240
FUND BALANCES, beginning of year	652,635	652,635	-
FUND BALANCES, end of year	$ 652,635	$ 3,535,875	$ 2,883,240

GMA Lease Pool		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
60,000	145,134	85,134
60,000	145,134	85,134
-	128,750	(128,750)
-	128,750	(128,750)
60,000	16,384	(43,616)
485,850	485,850	-
-	(740,961)	(740,961)
485,850	(255,111)	(740,961)
545,850	(238,727)	(784,577)
1,836,089	1,836,089	-
$ 2,381,939	$ 1,597,362	$ (784,577)

(Continued)

SPALDING COUNTY, GEORGIA

CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest	500	327	(173)
Total revenues	500	327	(173)
EXPENDITURES			
Current:			
General government	-	-	-
Intergovernmental	-	-	-
Capital outlay	289,500	-	289,500
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	289,500	-	289,500
Excess (deficiency) of revenues over (under) expenditures	(289,000)	327	289,327
OTHER FINANCING SOURCES			
Transfers in	20,000	20,000	-
Total other financing sources	20,000	20,000	-
Net change in fund balances	(269,000)	20,327	289,327
FUND BALANCES, beginning of year	264,325	264,325	-
FUND BALANCES (DEFICIT), end of year	$ (4,675)	$ 284,652	$ 289,327

Impact Fees			Capital Projects 2008 SPLOST		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 8,364,125	$ 4,997,108	$ (3,367,017)
-	-	-	-	-	-
219,000	260,828	41,828	-	-	-
2,000	1,733	(267)	-	457	457
221,000	262,561	41,561	8,364,125	4,997,565	(3,366,560)
96,000	6,251	89,749	-	1,000	(1,000)
-	-	-	2,696,092	1,591,440	1,104,652
1,173,570	12,000	1,161,570	12,168,033	2,148,088	10,019,945
143,480	143,512	(32)	-	-	-
54,850	54,812	38	-	1,193	(1,193)
1,467,900	216,575	1,251,325	14,864,125	3,741,721	11,122,404
(1,246,900)	45,986	1,292,886	(6,500,000)	1,255,844	7,755,844
-	-	-	-	-	-
-	-	-	-	-	-
(1,246,900)	45,986	1,292,886	(6,500,000)	1,255,844	7,755,844
1,428,522	1,428,522	-	8,691,905	8,691,905	-
$ 181,622	$ 1,474,508	$ 1,292,886	$ 2,191,905	$ 9,947,749	$ 7,755,844

(Continued)

SPALDING COUNTY, GEORGIA

CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Projects 2005 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	500,000	500,000
Charges for services	-	-	-
Interest	7,800	883	(6,917)
Total revenues	7,800	500,883	493,083
EXPENDITURES			
Current			
General government	3,701,250	-	3,701,250
Intergovernmental	-	-	-
Capital outlay	3,100,000	3,546,440	(446,440)
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	6,801,250	3,546,440	3,254,810
Excess (deficiency) of revenues over (under) expenditures	(6,793,450)	(3,045,557)	3,747,893
OTHER FINANCING SOURCES			
Transfers in	-	111,688	111,688
Total other financing sources	-	111,688	111,688
Net change in fund balances	(6,793,450)	(2,933,869)	3,859,581
FUND BALANCES, beginning of year	7,164,897	7,164,897	-
FUND BALANCES, end of year	$ 371,447	$ 4,231,028	$ 3,859,581

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2005 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
800 MHz radio communication system	$ 10,072,000	$ 10,072,000	$ 8,861,854	$ 1,855,068	$ 10,716,922
University of Georgia Learning Center	10,000,000	10,723,000	9,035,224	1,621,372	10,656,596
Parks and recreation facilities	600,000	600,000	106,361	70,000	176,361
	$ 20,672,000	$ 21,395,000	$ 18,003,439	$ 3,546,440	$ 21,549,879

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Acquisition, construction and development of property for the Griffin-Spalding Development Authority	$ 22,245,970	$ 22,245,970	$ 8,485,176	$ 2,024,131	$ 10,509,307
Acquisition, construction, improvements and additions to Griffin Technical College	7,554,470	7,554,470	-	-	-
Acquisition of bus for use by senior citizens and other residents	150,000	150,000	-	126,150	126,150
Water and sewerage system improvements	2,500,000	2,500,000	-	-	-
Roads, streets, bridges and transportation improvements and equipment	9,139,470	9,139,470	-	-	-
City of Griffin	11,789,470	11,789,470	951,526	1,536,617	2,488,143
City of Orchard Hill	512,820	512,820	-	37,900	37,900
City of Sunny Side	107,800	107,800	-	16,923	16,923
	$ 54,000,000	$ 54,000,000	$ 9,436,702	$ 3,741,721	$ 13,178,423

AGENCY FUNDS

SPALDING COUNTY, GEORGIA

AGENCY FUNDS

Tax Commissioner	To account for tax billings, collections, and remittances made by property owners of record on behalf of other governmental agencies.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc. which are disbursed to other parties.
Clerk of Superior Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Correctional Institution	To account for the receipt and disbursement of funds held on behalf of state inmates housed in the County correctional facility.
Sheriff	To account for the collection and remittance of fines, bond forfeitures, and various fees, and to account for the receipt and disbursement of funds held on behalf of County inmates housed in the County detention facility.

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court
ASSETS				
Cash	$ 250,001	$ 22,734	$ 2,818	$ 441,250
Taxes receivable	2,648,486	-	-	-
Accounts receivable	21,826	-	-	-
Total assets	$ 2,920,313	$ 22,734	$ 2,818	$ 441,250
LIABILITIES				
Due to others	$ 2,920,313	$ 22,734	$ 2,818	$ 441,250

Correctional Institution	Sheriff	Total
$ 23,554	$ 276,323	$ 1,016,680
-	-	2,648,486
-	-	21,826
$ 23,554	$ 276,323	$ 3,686,992
$ 23,554	$ 276,323	$ 3,686,992

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Tax Commissioner				
ASSETS				
Cash	$ -	$ 33,802,061	$ 33,552,060	$ 250,001
Taxes receivable	2,588,970	2,648,486	2,588,970	2,648,486
Accounts receivable	25,929	4,156	8,259	21,826
Total assets	$ 2,614,899	$ 36,454,703	$ 36,149,289	$ 2,920,313
LIABILITIES				
Due to others	$ 2,614,899	$ 36,454,703	$ 36,149,289	$ 2,920,313
Magistrate Court				
ASSETS				
Cash	$ 41,960	$ 501,012	$ 520,238	$ 22,734
LIABILITIES				
Due to others	$ 41,960	$ 501,012	$ 520,238	$ 22,734
Probate Court				
ASSETS				
Cash	$ 3,852	$ 62,372	$ 63,406	$ 2,818
LIABILITIES				
Due to others	$ 3,852	$ 62,372	$ 63,406	$ 2,818
Clerk of Superior Court				
ASSETS				
Cash	$ 310,665	$ 1,289,743	$ 1,159,158	$ 441,250
LIABILITIES				
Due to others	$ 310,665	$ 1,289,743	$ 1,159,158	$ 441,250

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Correctional Institution				
ASSETS				
Cash	$ 54,303	$ 291,990	$ 322,739	$ 23,554
LIABILITIES				
Due to others	$ 54,303	$ 291,990	$ 322,739	$ 23,554
Sheriff				
ASSETS				
Cash	$ 246,193	$ 253,315	$ 223,185	$ 276,323
LIABILITIES				
Due to others	$ 246,193	$ 253,315	$ 223,185	$ 276,323
Total Agency Funds				
ASSETS				
Cash	$ 656,973	$ 36,200,493	$ 35,840,786	$ 1,016,680
Taxes receivable	2,588,970	2,648,486	2,588,970	2,648,486
Accounts receivable	25,929	4,156	8,259	21,826
Total assets	$ 3,271,872	$ 38,853,135	$ 38,438,015	$ 3,686,992
LIABILITIES				
Due to others	$ 3,271,872	$ 38,853,135	$ 38,438,015	$ 3,686,992

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COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET ASSETS
COMPONENT UNIT - WATER AUTHORITY
JUNE 30, 2010

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	4,549,703
Accounts receivable		848,802
Restricted assets, cash and cash equivalents		9,430,938
Total current assets		14,829,443
NONCURRENT ASSETS		
Deferred charges, unamortized balance		393,160
Capital assets:		
Capital assets, non-depreciable		4,949,850
Capital assets, depreciable, net of accumulated depreciation		14,843,563
Total capital assets		19,793,413
Total noncurrent assets		20,186,573
Total assets		35,016,016
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		273,037
Accrued liabilities		1,482
Current portion of compensated absences payable		1,376
Current portion of bonds payable from restricted assets		965,000
Accrued interest		267,929
Total current liabilities		1,508,824
NONCURRENT LIABILITIES		
Compensated absences payable, net of current portion		917
Bonds payable, net of current portion		14,222,846
Total noncurrent liabilities		14,223,763
Total liabilities		15,732,587
NET ASSETS		
Invested in capital assets, net of related debt		11,934,925
Restricted for debt service		868,651
Unrestricted		6,479,853
Total net assets	$	19,283,429

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

OPERATING REVENUES	
Charges for services	$ 7,971,214
Total operating revenues	7,971,214
OPERATING EXPENSES	
Personal services and employee benefits	161,092
Contracted services	4,715,133
Material and supplies	398,286
Other operating expenses	110,799
Depreciation	454,457
Amortization	40,000
Total operating expenses	5,879,767
Operating income	2,091,447
NON-OPERATING INCOME (EXPENSES)	
Interest income	5,325
Interest expense	(872,633)
Total non-operating income (expenses)	(867,308)
Change in net assets	1,224,139
NET ASSETS, beginning of year	18,059,290
NET ASSETS, end of year	$ 19,283,429

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	7,697,809
Payments to employees		(171,279)
Payments to suppliers for goods and services provided		(5,216,306)
Net cash provided by operating activities		2,310,224
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		(2,509,930)
Principal payments on long-term borrowings		(935,000)
Interest payments on long-term borrowings		(824,357)
Net cash used in capital and related financing activities		(4,269,287)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		5,418
Net cash provided by investing activities		5,418
Net decrease in cash and cash equivalents		(1,953,645)
Cash and cash equivalents, beginning of year		15,934,286
Cash and cash equivalents, end of year	$	13,980,641
Classified as:		
Cash and cash equivalents	$	4,549,703
Restricted assets:		
Bond sinking fund		1,113,580
Debt service reserve fund		988,000
Construction fund		7,329,358
	$	13,980,641
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	2,091,447
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		454,457
Amortization		40,000
Increase in accounts receivable		(273,405)
Increase in accounts payable		7,912
Decrease in accrued liabilities		(914)
Decrease in compensated absences		(9,273)
Net cash provided by operating activities	$	2,310,224

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III. STATISTICAL SECTION

STATISTICAL SECTION

This part of Spalding 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 ..... **91 – 98**

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 ..... **99 – 104**

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

Debt Capacity ..... **105 – 107**

These schedules contain 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 ..... **108 and 109**

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 ..... **110 – 112**

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 government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The County implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting financial information include information beginning in that year.

SPALDING COUNTY, GEORGIA

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS

	Fiscal Year				
	2003	2004	2005	2006	
Primary government:					
Governmental activities:					
Invested in capital assets, net of related debt	$ 35,763,231	$ 34,544,273	$ 35,643,160	$ 39,672,516	
Restricted	363,277	579,448	358,988	13,823,578	(1)
Unrestricted	10,369,596	12,355,174	13,897,397	1,324,148	
Total primary government net assets	$ 46,496,104	$ 47,478,895	$ 49,899,545	$ 54,820,242	

(1) Total Restricted Net Assets increased in fiscal year 2006 due to the 2005 SPLOST bond proceeds.

(2) Invested in capital assets, net of related debt increased in fiscal year 2007 due to the retroactive implementation for GASB 34.

2007	2008	2009	2010
$ 76,031,982 (2)	$ 84,301,495	$ 86,170,339	$ 85,388,780
16,904,691	21,043,484	19,227,417	21,882,136
1,486,098	1,083,258	(11,532,360)	(11,601,739)
$ 94,422,771	$ 106,428,237	$ 93,865,396	$ 95,669,177

SPALDING COUNTY, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	$ 4,517,366	$ 4,893,104	$ 6,033,059	$ 4,873,556
Judicial	3,802,465	3,926,155	4,595,301	4,916,979
Public safety	20,072,792	20,327,829	21,286,267	24,049,681
Public works	5,432,948	8,379,030	6,409,403	4,292,007
Health and welfare	562,723	619,427	872,040	632,146
Culture and recreation	-	-	-	2,734,673 (2)
Housing and development	-	-	95,440 (1)	1,234,684
Interest on long-term debt	507,239	521,666	600,586	770,271
Total primary government expenses	$ 34,895,533	$ 38,667,211	$ 39,892,096	$ 43,503,997
Program revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,913,326	$ 1,924,930	$ 2,092,558	$ 2,144,069
Judicial	2,888,899	2,536,910	3,225,109	2,638,519
Public safety	4,680,289	4,695,124	4,886,587	5,761,881
Other activities	150,450	176,200	370,255	578,722
Operating grants and contributions	1,252,639	1,064,480	1,453,774	1,833,205
Capital grants and contributions	1,109,533	1,566,625	1,570,046	3,370,546
Total primary government program revenues	$ 11,995,136	$ 11,964,269	$ 13,598,329	$ 16,326,942
Net (expense)/revenue				
Total primary government net expense	$ (22,900,397)	$ (26,702,942)	$ (26,293,767)	$ (27,177,055)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	$ 15,654,326	$ 18,348,163	$ 18,689,976	$ 19,157,931
Alcoholic beverage taxes	351,221	334,232	311,604	306,174
Vehicle taxes	1,398,079	1,595,669	1,652,480	1,653,825
Sales taxes	4,746,913	5,070,635	5,063,079	7,492,884
Intangible taxes	439,742	457,483	502,881	551,615
Insurance premium taxes	1,229,696	1,318,785	1,426,951	1,523,808
Hotel/motel taxes	82,702	91,429	99,229	109,543
Other taxes	407,974	349,149	497,818	481,477
Unrestricted investment earnings	131,272	120,188	574,106	820,495
Total primary government	$ 24,441,925	$ 27,685,733	$ 28,818,124	$ 32,097,752
Change in Net Assets				
Total primary government	$ 1,541,528	$ 982,791	$ 2,524,357	$ 4,920,697

(1) Prior to fiscal year 2005, the Housing and Development function was included with General Government.

(2) Prior to fiscal year 2006, the Culture and Recreation function was included with General Government.

(3) Sales taxes increased during fiscal year 2007 due to a full year of collections of the 2005 SPLOST issue.

(4) Housing and development expenses increased due to the use of SPLOST proceeds on the University of Georgia Learning Center.

(5) Developer contributions of infrastructure increased during fiscal year 2008.

(6) Housing and development expenses increased due to the use of SPLOST proceeds on the University of Georgia Learning Center and the purchase of land for the Development Authority.

2007	2008	2009	2010
$ 5,333,341	$ 5,608,517	$ 6,640,547	$ 7,107,940
5,002,948	5,482,736	4,584,031	4,528,384
25,519,501	26,428,329	25,241,705	26,524,500
6,137,324	5,762,303	6,809,609	5,398,943
872,270	1,117,554	911,148	1,095,175
2,942,031	3,006,773	2,731,539	2,643,500
1,958,546	2,953,544 (4)	17,475,860 (6)	4,522,298
911,715	841,040	982,324	1,145,336
$ 48,677,676	$ 51,200,796	$ 65,376,763	$ 52,966,076
$ 2,035,121	$ 2,095,676	$ 2,138,686	$ 1,983,902
2,501,320	2,494,816	2,273,881	1,912,642
5,360,736	5,238,813	4,835,871	5,968,936
964,648	973,826	874,976	424,059
2,091,802	2,669,648	1,332,716	1,601,575
2,780,011	7,288,834 (5)	1,090,102	829,112
$ 15,733,638	$ 20,761,613	$ 12,546,232	$ 12,720,226
$ (32,944,038)	$ (30,439,183)	$ (52,830,531)	$ (40,245,850)
$ 20,055,001	$ 21,553,608	$ 22,220,678	$ 23,667,798
313,605	315,042	352,417	330,645
1,734,970	1,828,660	1,759,125	1,670,521
14,836,157 (3)	14,890,517	13,000,013	13,657,070
466,888	378,856	230,473	193,729
1,596,904	1,679,166	1,720,094	1,695,431
118,899	110,198	99,947	89,395
530,756	554,588	501,048	508,020
1,774,030	1,134,014	391,847	229,070
$ 41,427,210	$ 42,444,649	$ 40,275,642	$ 42,041,679
$ 8,483,172	$ 12,005,466	$ (12,554,889)	$ 1,795,829

SPALDING COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	$ 312,053	$ 684,692	$ 2,305,434	$ 1,488,223
Unreserved	3,432,513	6,921,241	8,788,002	9,781,428
Total General Fund	3,744,566	7,605,933	11,093,436	11,269,651
All Other Governmental Funds				
Reserved, reported in				
Special revenue funds	278,638	321,965	349,275	983,692
Debt service funds	198	-	-	-
Capital projects funds	6,087,321	4,979,732	4,111,629	14,489,816 (1)
Unreserved, reported in				
Special revenue funds	1,702,244	2,006,425	2,506,862	2,389,895
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total All Other Governmental Funds	8,068,401	7,308,122	6,967,766	17,863,403
Total Governmental Funds				
Reserved	6,678,210	5,986,389	6,766,338	16,961,731
Unreserved	3,432,513	6,921,241	8,788,002	9,781,428
Total Governmental Funds	$ 10,110,723	$ 12,907,630	$ 15,554,340	$ 26,743,159

(1) Reserved fund balance in capital projects funds increased in fiscal year 2006 due to the 2005 SPLOST bond proceeds.

(2) Reserved fund balance in special revenue funds increased and unreserved fund balance in special revenue funds decreased in fiscal year 2007 due to a large encumbrance in the Fire District Fund.

(3) Reserved fund balance in capital projects funds were reclassified to unreserved fund balance during 2010.

2007	2008	2009	2010
$ 368,372	$ 854,839	$ 391,364	$ 193,337
7,441,021	5,760,262	3,736,485	4,310,343
7,809,393	6,615,101	4,127,849	4,503,680
2,837,624 (2)	817,703	1,017,770	119,813
-	-	-	-
17,907,036	21,956,132	17,549,649	- (3)
87,568	2,279,816	2,131,909	2,382,741
980,585 (2)	1,645,495	2,488,738	5,133,237
-	-	-	15,937,937 (3)
21,812,813	26,699,146	23,188,066	23,573,728
21,113,032	23,628,674	18,958,783	313,150
8,509,174	9,685,573	8,357,132	27,764,258
$ 29,622,206	$ 33,314,247	$ 27,315,915	$ 28,077,408

SPALDING COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2003	2004	2005	2006
REVENUES				
Taxes	$ 24,343,205	$ 28,054,034	$ 28,153,082	$ 31,391,376
Licenses and permits	496,501	479,262	559,101	643,804
Intergovernmental	1,517,043	1,847,594	1,707,719	2,841,753
Court fees, fines and forfeitures	2,341,617	1,999,325	2,962,156	2,470,363
Charges for services	5,824,494	5,928,702	6,032,755	6,715,987
Interest	123,780	118,046	544,632	818,728
Contributions and donations	2,000	6,050	275	34,036
Rentals	434,917	369,717	366,814	384,657
Other	764,037	631,013	701,773	880,230
Total Revenues	35,847,594	39,433,743	41,028,307	46,180,934
EXPENDITURES				
General government	5,156,819	4,494,908	5,911,652	4,356,176
Judicial	3,754,883	3,890,772	4,553,368	5,084,271
Public safety	18,515,628	20,062,771	20,731,697	23,379,707
Public works	5,432,707	5,641,302	5,745,436	3,765,135
Health and welfare	380,698	619,427	1,027,402	630,612
Culture and recreation	-	-	-	2,663,822 (2)
Housing and development	-	-	95,440 (1)	1,225,100
Intergovernmental	-	-	-	-
Capital outlay	2,239,538	1,510,579	1,004,766	2,553,455
Debt service				
Principal	4,156,018 (3)	1,287,409	1,272,034	997,681
Interest	494,089	495,244	651,936	551,625
Issuance costs	-	-	-	192,837
Total Expenditures	40,130,380	38,002,412	40,993,731	45,400,421
Excess of Revenues				
Over (Under) Expenditures	(4,282,786)	1,431,331	34,576	780,513
OTHER FINANCING SOURCES (USES)				
Transfers in	1,986,780	699,321	716,249	722,368
Transfers out	(1,986,780)	(699,321)	(715,837)	(721,278)
Issuance of general obligation bonds	-	-	-	10,250,000
Premium on bond issue	-	-	-	40,249
Capital leases	1,099,892	1,669,757	-	-
Issuance of certificates of participation	-	-	750,000	-
Total Other Financing Sources (Uses)	1,099,892	1,669,757	750,412	10,291,339
Net Change in Fund Balances	$ (3,182,894)	$ 3,101,088	$ 784,988	$ 11,071,852
Debt Service as a Percentage				
of Noncapital Expenditures	12.74%	4.99%	4.96%	4.18%

(1) Prior to fiscal year 2005, the Housing and Development function was included with General Government.

(2) Prior to fiscal year 2006, the Culture and Recreation function was included with General Government.

(3) The 1997 SPLOST bonds were paid off in fiscal year 2003.

(4) The first principal payment on the 2005 SPLOST bonds was made during fiscal year 2007.

(5) Prior to fiscal year 2009, Intergovernmental expenditures were included with General Government.

2007	2008	2009	2010
$ 39,588,769	$ 41,016,163	$ 39,081,402	$ 41,747,867
494,594	506,669	257,521	284,908
2,572,835	2,828,096	2,386,769	2,032,718
2,459,784	2,340,361	1,989,226	1,931,150
6,553,279	6,559,966	6,161,406	6,464,925
1,749,835	1,110,755	370,041	180,614
45,438	49,377	35,570	70,532
330,726	348,312	264,703	208,565
1,023,563	1,059,998	1,451,037	1,401,023
54,818,823	55,819,697	51,997,675	54,322,302
5,327,181	4,404,695	5,552,819	5,596,919
5,022,688	5,463,165	4,565,696	4,497,537
24,570,875	25,399,762	24,802,278	25,556,186
5,495,926	4,139,302	5,182,092	4,025,335
865,089	1,107,197	900,790	1,084,818
2,799,932	2,747,082	2,529,675	2,407,369
1,846,593	1,337,687	1,228,864	864,002
-	-	951,526 (5)	1,591,440
3,396,770	4,693,677	24,171,588	5,990,744
4,053,946 (4)	4,408,523	4,292,719	809,430
950,671	816,256	680,715	1,137,029
-	-	257,993	-
54,329,671	54,517,346	75,116,755	53,560,809
489,152	1,302,351	(23,119,080)	761,493
4,604,763	2,927,705	1,788,199	1,358,499
(4,604,763)	(2,927,705)	(1,788,199)	(1,358,499)
-	-	15,500,000	-
-	-	120,748	-
-	2,389,690	1,500,000	-
-	-	-	-
-	2,389,690	17,120,748	-
$ 489,152	$ 3,692,041	$ (5,998,332)	$ 761,493
10.07%	10.10%	7.90%	3.87%

SPALDING COUNTY, GEORGIA

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

Fiscal Year	Assessed Value: Real and Personal Property	Assessed Value: Motor Vehicle and Mobile Home	Assessed Value: Timber	Assessed Value: Total Property	Less: Exemptions
2001	$ 1,061,700,056	$ 121,009,711	$ 884,572	$ 1,183,594,339	$ 175,184,648
2002	1,095,644,116	131,753,302	827,654	1,228,225,072	185,495,757
2003	1,304,323,470	135,689,312	652,125	1,440,664,907	210,334,643
2004	1,316,063,999	132,864,878	858,704	1,449,787,581	175,449,828
2005	1,347,653,513	129,077,465	294,034	1,477,025,012	170,956,221
2006	1,421,223,621	123,939,730	843,117	1,546,006,468	206,994,244
2007	1,451,860,481	118,468,421	813,637	1,571,142,539	183,587,634
2008	1,535,854,597	127,951,469	674,496	1,664,480,562	219,171,547
2009	1,564,104,831	130,690,963	538,170	1,695,333,964	213,179,506
2010	1,565,885,934	135,919,364	550,284	1,702,355,582	218,058,229

SOURCE:

Spalding County Board of Equalization and Assessment

NOTES:

Property in Spalding County is reassessed once every three years. The County assesses commercial, residential, and real property at approximately 40 percent of actual value. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per $1,000 of assessed value.

Total Taxable Property		Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
Assessed Value	Actual Value		
$ 1,008,409,691	$ 2,521,024,228	40%	$ 9.70
1,042,729,315	2,606,823,288	40%	9.88
1,230,330,264	3,075,825,660	40%	11.91
1,274,337,753	3,185,844,383	40%	13.53
1,306,068,791	3,265,171,978	40%	13.46
1,339,012,224	3,347,530,560	40%	13.41
1,387,554,905	3,468,887,263	40%	13.39
1,445,309,015	3,613,272,538	40%	13.89
1,482,154,458	3,705,386,145	40%	13.88
1,484,297,353	3,710,743,383	40%	14.88

SPALDING COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER $1,000 OF ASSESSED VALUE)

	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Spalding County direct rates:										
Unincorporated maintenance and operations	14.43	14.89	16.27	17.29	17.14	17.13	17.12	17.84	17.66	18.50
Sales tax reduction	(4.73)	(5.01)	(4.36)	(3.76)	(3.68)	(3.72)	(3.73)	(3.95)	(3.78)	(3.62)
Municipal rates:										
City of Griffin:										
Maintenance and operations	9.46	9.46	8.85	8.85	8.65	8.63	8.63	8.60	8.64	8.64
City of Orchard Hill maintenance and operations	5.00	5.00	5.00	5.00	4.99	4.95	4.95	4.95	4.95	4.95
City of Sunny Side maintenance and operations	5.00	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36	4.36
Fire protection (1)	5.13	5.16	4.58	4.70	4.76	4.81	4.81	4.83	4.82	5.84
Insurance premium rollback (1)	(2.05)	(2.08)	(1.49)	(1.61)	(1.69)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)
Board of Education	19.57	18.94	18.55	18.95	18.90	18.85	18.82	18.81	18.80	18.80
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Unincorporated Spalding County	32.60	32.15	33.80	35.82	35.68	35.56	35.51	35.99	35.96	37.96
Total Municipalities:										
City of Griffin	38.98	38.53	39.56	41.58	41.26	41.14	41.09	41.55	41.57	42.57
City of Orchard Hill	34.52	34.07	35.71	37.73	37.60	37.46	37.41	37.90	37.88	38.88
City of Sunny Side	34.52	33.43	35.07	37.09	36.97	36.87	36.82	37.31	37.29	38.29

SOURCE:

Spalding County Tax Commissioner's Office

(1) Fire protection and insurance premium rollback is applied only to unincorporated rates.

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SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		Fiscal Year 2010		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Caterpillar, Inc.	Power generation systems	$ 31,905,580	1	2.15%
Tenet/Spalding Regional Hospital	Hospital/health care	14,456,666	2	0.97%
AEP Industries	Packaging film	11,081,113	3	0.75%
Wal-Mart Stores, Inc.	Retail	8,753,709	4	0.59%
North Spalding Development Company	Real estate development	8,589,609	5	0.58%
Pulte Home Corporation	Sun City Peachtree retirement community	8,243,917	6	0.56%
Halpern Enterprises	Commercial real estate	6,477,233	7	0.44%
NACOM Corporation	Automotive components	6,168,122	8	0.42%
First National Bank of Griffin	Financial institution	5,917,242	9	0.40%
Norcom	School paper products	4,315,565	10	0.29%
Springs Industries	Textile manufacturing	-		-
Standard Products	Automotive components	-		-
BellSouth Telecommunications	Public utility	-		-
Mid-Georgia Bandag	Retred manufacturing	-		-
Union Camp Corporation	Plastic bag manufacturing	-		-
Central Georgia EMC	Public utility	-		-
Total		$ 105,908,756		7.14%

SOURCE:

Spalding County Tax Commissioner's Office.

Fiscal Year 2001		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
$ -		-
9,538,422	5	0.95%
9,149,002	6	0.91%
-		-
-		-
-		-
4,209,268	10	0.42%
51,185,596	1	5.08%
-		-
-		-
42,685,602	2	4.23%
11,073,752	3	1.10%
10,514,424	4	1.04%
9,007,111	7	0.89%
7,137,166	8	0.71%
4,249,552	9	0.42%
$ 158,749,895		15.74%

SPALDING COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	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 Original Levy		Amount	Percentage of Adjusted Levy
2001	$ 9,781,575	$ 9,483,320	96.95%	$ 446,311	$ 9,929,631	101.51%
2002	10,302,165	9,887,459	95.97%	493,367	10,380,826	100.76%
2003	14,653,233	13,803,624	94.20%	411,854	14,215,478	97.01%
2004	15,430,968	14,850,164	96.24%	595,438	15,445,602	100.09%
2005	17,579,687	16,979,276	96.58%	426,493	17,405,769	99.01%
2006	17,956,154	17,405,961	96.94%	350,112	17,756,073	98.89%
2007	18,579,360	18,130,563	97.58%	384,496	18,515,059	99.65%
2008	18,283,956	17,391,752	95.12%	461,411	17,853,163	97.64%
2009	18,746,679	17,690,387	94.37%	412,940	18,103,327	96.57%
2010	20,053,526	18,706,433	93.28%	951,178	19,657,611	98.03%

SOURCE:

Spalding County Tax Commissioner's Office

SPALDING COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt General Obligation Bonds	Percentage of Actual Property Value (1)	Per Capita (2)	Other Governmental Activities Debt Certificates of Participation	Other Governmental Activities Debt Capital Lease Obligations	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2001	$ 6,110,000	0.24 %	$ 104.48	$ 6,156,007	$ 2,363,557	$ 14,629,564	1.09 %	$ 250.16
2002	3,075,000	0.12	51.94	5,848,634	2,793,052	11,716,686	0.82	197.91
2003	-	-	-	5,521,424	3,139,136	8,660,560	0.59	145.04
2004	-	-	-	5,168,764	3,874,144	9,042,908	0.61	149.59
2005	-	-	-	8,050,000	2,936,740	10,986,740	0.71	180.87
2006	10,250,000	0.31	167.24	7,789,209	2,199,850	20,239,059	1.25	330.22
2007	7,035,000	0.20	113.13	7,511,156	1,638,957	16,185,113	0.96	260.27
2008	3,580,000	0.10	57	7,220,170	3,004,706	13,804,876	0.79	219.73
2009	15,500,000	0.42	242.52	6,910,956	4,101,201	26,512,157	1.48	414.82
2010	15,500,000	0.42	239.54	6,583,362	3,619,365	25,702,727	N/A	397.21

NOTE:

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

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

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

SPALDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2001	2002	2003	2004	2005
Debt limit	$ 118,359,434	$ 122,822,507	$ 144,066,491	$ 144,978,758	$ 147,702,501
Total net debt applicable to limit	6,110,000	3,075,000	-	-	-
Legal debt margin	$ 112,249,434	$ 119,747,507	$ 144,066,491	$ 144,978,758	$ 147,702,501
Total net debt applicable to the limit as a percentage of debt limit	5.16%	2.50%	0.00%	0.00%	0.00%

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

2006	2007	2008	2009	2010
$ 154,600,647	$ 157,114,254	$ 166,448,056	$ 169,533,396	$ 170,235,558
10,250,000	7,035,000	3,580,000	15,500,000	15,500,000
$ 144,350,647	$ 150,079,254	$ 162,868,056	$ 154,033,396	$ 154,735,558
6.63%	4.48%	2.15%	9.14%	9.11%

Legal Debt margin Calculation for Fiscal Year 2010

Assessed value	$ 1,702,355,582
Debt limit (10% of assessed value)	170,235,558
Debt applicable to limit:	
General obligation bonds	15,500,000
Less: Amount set aside for repayment of General obligation debt	-
Total net debt applicable to limit	15,500,000
Legal debt margin	$ 154,735,558

SPALDING COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)		Personal Income (thousands) (1)	Per Capita Personal Income (1)	School Enrollment (2)	Unemployment Rate (3)
2001	58,481		$ 1,342,323	$ 22,951	10,303	4.90%
2002	59,203		1,426,847	24,183	10,458	6.70%
2003	59,711		1,461,196	24,407	10,648	7.60%
2004	60,451		1,479,624	24,510	10,693	6.30%
2005	60,745		1,554,560	25,592	10,813	7.90%
2006	61,289	(4)	1,619,312	26,426	10,833	6.60%
2007	62,185		1,687,243	27,112	10,967	5.90%
2008	62,826		1,758,448	27,887	10,953	8.70%
2009	63,913		1,797,366	28,045	10,823	15.70%
2010	64,708		N/A	N/A	10,860	12.50%

SOURCES:

(1) Bureau of Economic Analysis: Regional Economic Accounts

(2) Spalding County Board of Education

(3) U.S. Bureau of Labor Statistics

(4) U.S. Census Bureau

N/A Information not yet available.

SPALDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND FOUR YEARS AGO

		Fiscal Year 2010			Fiscal Year 2006		
Employer	Industry	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System	Education	1,576	1	5.68 %	1,650	1	5.86 %
Caterpillar, Inc.	Automotive generators	900	2	3.24	-		-
Spalding Regional Medical Center	Healthcare	900	3	3.24	900	2	3.20
Spalding County	Government	536	4	1.93	469	6	1.67
City of Griffin	Government	478	5	1.72	480	5	1.71
University of Georgia Griffin Campus	Education	405	8	1.46	250	9	0.89
1888 Mills/Southern Terry	Terry cloth towels	375	6	1.35	350	8	1.24
Southern Crescent Technical College	Education	360	7	1.30	365	7	1.30
Norcom	School supplies	280	9	1.01	-		-
AEP Industries, Inc.	Packaging film	250	10	0.90	240	10	0.85
Springs Industries	Finished cotton goods	-		-	850	3	3.02
NACOM Corporation	Automotive electronics	-		-	850	4	3.02
Totals		6,060		21.83 %	6,404		22.76 %

SOURCE:

Spalding County Chamber of Commerce

Note:

Information on the principal employers was not readily available for fiscal years 2001 through 2005.

SPALDING COUNTY, GEORGIA

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	134	134	134	136	138	140	145	147	148	146
Public Safety										
Sheriff										
Officers	57	57	54	58	58	63	70	71	69	86
Civilians	19	19	24	22	32	33	35	34	34	36
Corrections	68	69	72	74	75	76	81	80	79	71
Correctional Institution										
Officers	66	66	66	66	69	70	76	77	77	78
Civilians	6	7	7	7	7	7	6	6	7	7
Fire										
Firefighters	66	66	62	62	62	65	68	68	68	80
Civilians	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets and Highways	27	27	27	27	27	27	31	30	30	30
Solid Waste	16	16	16	17	17	17	17	17	17	17
Culture and Recreation	35	36	34	36	36	36	36	40	42	38
Total	496	499	498	507	523	536	567	572	573	591

SOURCE:

Spalding County Human Resources Department

NOTE:

Spalding County does not fund any positions in health and welfare.

SPALDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST SEVEN FISCAL YEARS

Function	2004	2005	2006	2007	2008	2009	2010
Public Safety							
Sheriff:							
Physical arrests	4,703	4,761	5,002	2,705	3,412	3,066	3,154
Traffic violations	1,821	1,971	2,188	2,158	2,160	1,625	1,114
Fire District:							
Calls answered	1,354	1,517	1,613	1,624	1,524	1,379	1,374
Inspections	181	176	197	235	277	234	448
Public Works							
Street resurfacing (miles)	11	11	21	15	-	18	10

SOURCE:

Various County departments.

NOTES:

Indicators are not available for the general government, judicial, culture and recreation, health and welfare, and housing and development functions. Indicators are not readily available for fiscal years 2001 through 2003.

SPALDING COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Sheriff:										
Detention facilities	1	1	1	1	1	2	2	2	2	2
Patrol units	27	27	30	30	33	36	37	40	42	43
Fire District:										
Fire stations	6	6	6	6	6	6	6	6	6	7
Fire trucks	14	14	12	12	12	10	10	13	12	13
Public Works										
Roads (miles)	395.8	395.8	395.8	402.1	405.8	418.4	431.4	437.7	437.7	440
Culture and Recreation										
Parks acreage	300	300	300	300	483	483	483	484.5	496.5	496.5
Playgrounds	9	9	9	9	11	11	11	11	13	13
Baseball/Softball diamonds	19	19	19	19	19	19	19	19	20	20
Soccer fields	10	10	10	10	10	11	11	11	7	7
Football fields	2	2	2	2	2	2	2	2	2	2
Recreation centers	3	3	3	3	3	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	-	-	-	-	-	-	-	1	1	1
Walking trails	8	8	8	8	8	8	8	8	8	8

SOURCE:

Various County departments.

NOTE:

Indicators are not available for the general government, judicial, health and welfare, and housing and development functions. The County completed construction of the Wyomia Tyus Park soccer complex in 1998 and the baseball complex in 2000. Dundee Lake Park was purchased in 2005.

CONTINUING DISCLOSURE INFORMATION

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenues	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2001	$ 3,992,891	$ 2,027,867	$ 1,965,024	$ 535,000	$ 699,326	$ 1,234,326	1.59
2002	3,867,418	2,140,154	1,727,264	560,000	666,569	1,226,569	1.41
2003	4,094,113	2,208,423	1,885,690	-	376,753	376,753	5.01
2004	4,469,426	3,312,061	1,157,365	790,000	335,313	1,125,313	1.03
2005	4,849,148	3,662,231	1,186,917	805,000	333,685	1,138,685	1.04
2006	5,018,602	3,479,940	1,538,662	805,000	309,535	1,114,535	1.38
2007	6,219,693	3,930,710	2,288,983	835,000	284,635	1,119,635	2.04
2008	7,937,421	4,491,682	3,445,739	865,000	257,033	1,122,033	3.07
2009	6,541,458	4,438,033	2,103,425	890,000	576,665	1,466,665	1.43
2010	7,976,539	5,385,310	2,591,229	935,000	842,855	1,777,855	1.46

(1) Exclusive of depreciation and amortization.

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
TEN LARGEST WATER CUSTOMERS
CURRENT FISCAL YEAR

Customer	Industry	Rank	Usage (in gallons)	Total Annual Billing	Percentage of Total Annual Charges
Northside Griffin, LLC	Apartment homes	1	16,953,000	$ 143,195	1.82 %
Sun City Peachtree Homeowners Association	Retirement community	2	16,066,700	131,159	1.67
Pulte Homes Corporation	Residential home builder	3	12,784,900	111,699	1.42
Brightmoor Health	Nursing Home	4	7,870,100	66,788	0.85
Spalding County Correctional Institution	Government	5	7,246,100	61,097	0.78
Spalding County Law Enforcement Complex	Government	6	5,191,800	58,048	0.74
Beaverbrook School	School system	7	4,660,700	35,950	0.46
AEP Industries, Inc.	Packaging Film	8	4,191,200	35,876	0.46
A & B Mobile Home Park	Mobile Home Park	9	3,796,000	32,389	0.41
Caterpillar, Inc.	Power Generation Systems	10	3,108,000	26,518	0.34
Total			81,868,500	$ 702,719	8.93 %

SOURCE:
City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
NUMBER OF CUSTOMERS AND CONSUMPTION
LAST NINE FISCAL YEARS

Fiscal Year	Number of Customers (as of June 30)	Total Water Consumption	Rates per 1,000 Gallons		
			1,000 - 7,000 Gallons	7,000 - 10,000 Gallons	Over 10,000 Gallons
2002	9,967	765,002,400	$ 2.28	$ 2.28	$ 2.94
2003	10,465	843,248,300	2.95	2.95	3.65
2004	10,835	814,634,600	3.40	3.40	4.10
2005	10,686	931,112,900	3.40	3.40	4.10
2006	11,190	801,024,300	3.53	3.53	4.23
2007	11,710	891,841,100	4.72	4.72	5.42
2008	11,872	840,127,700	5.17	6.46	7.08
2009	11,927	819,262,310	5.92	7.40	8.11
2010	11,838	847,768,000	6.49	8.11	8.89

SOURCE:
City of Griffin

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IV. COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Spalding County, Georgia as of and for the year ended June 30, 2010, which collectively comprise Spalding County, Georgia's basic financial statements and have issued our report thereon dated December 14, 2010. Our report includes a reference to 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. Other auditors audited the financial statements of the Griffin-Spalding Development Authority and the Spalding County Department of Public Health, as described in our report on Spalding 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, we considered Spalding County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Spalding County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Spalding County, Georgia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain additional matters that we reported to the management of Spalding County, Georgia in a separate letter dated December 14, 2010.

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2010

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

Compliance

We have audited the compliance of Spalding County, Georgia with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Spalding County, Georgia's major federal programs for the year ended June 30, 2010. Spalding County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Spalding County, Georgia's management. Our responsibility is to express an opinion on Spalding County, Georgia's compliance based on our audit.

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

In our opinion, Spalding County, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-1. 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.

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

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



Macon, Georgia
December 14, 2010

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
ARRA - 2009 Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-0923	$ 38,891
Passed through Council of Juvenile Court Judges of Georgia:			
Juvenile Offenders Program	16.523	06B-ST-0001	5,085
Juvenile Offenders Program	16.523	JB-07ST-004	7,390
			12,475
Passed through Criminal Justice Coordinating Council:			
Victims of Crime Act Grant	16.575	C08-8-123	7,522
Victims of Crime Act Grant	16.575	C09-8-129	26,409
			33,931
Total U.S. Department of Justice			85,297
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Homeland Security Program	97.067	2005-GE-T5-0052	500,000
Total Homeland Security Cluster			500,000
Emergency Management Performance Grant	97.042	P08-9-057 (PPA FY 09)	17,525
Total U.S. Department of Homeland Security			517,525
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Georgia Department of Human Resources:			
Community Service Block Grant	93.569	427-93-09090934-99	22,116
Community Service Block Grant	93.569	427-040-0000003668	79,261
ARRA - Community Service Block Grant	93.710	427-040-0000003498	104,962
Total Community Service Block Grant Cluster			206,339
Summer Academic Enrichment Grant	93.558	2009-238-126-012	41,685
Total TANF Cluster			41,685
Total U.S. Department of Health and Human Services			248,024
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs:			
Community Development Block Grant - Employment Incentive Program	14.228	08q-y-126-1-3404	2,350
Total U.S. Department of Housing and Urban Development			2,350

(Continued)

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Georgia Office of School Readiness:			
Summer Food Service Program	10.555	08060	$ 68,886
Total Child Nutrition Cluster			68,886
Total U.S. Department of Agriculture			68,886
Total Expenditures of Federal Awards			$ 922,082

Note: The above schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ no
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?	__X__ yes ____ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
	Homeland Security Cluster
97.067	Homeland Security Program

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2010-1. Verification Check for Covered Transactions – Homeland Security Program

Criteria: As a recipient of federal awards, the County is charged with the responsibility of verifying that covered transactions (procurement contracts for goods and services that are expected to equal or exceed $25,000, or meet certain other specified criteria) are not awarded to debarred or suspended parties.

Condition: During our testing of federal award contracts, we noted one instance in which the County could not provide documentation that a verification check for debarment/suspension was performed.

Context/Cause: The lack of documentation regarding debarment/suspension was noted during control testing related to the Homeland Security Program.

Effect: Without proper documentation, debarred/suspended parties could be improperly awarded federal grant monies.

Recommendation: The County should take appropriate measures to ensure that complete documentation of all federal award procurements, including verification checks for suspension/debarment, be properly maintained.

Views of Responsible Officials and Planned Corrective Action: We concur. We will work together to ensure that complete documentation of all federal award procurements is properly maintained.

SPALDING COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

2009-1. Adoption of Annual Budgets

Criteria: House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project length balanced budget for each capital projects fund.

Condition: For the fiscal year ending June 30, 2010, no budget was adopted for the 2008 SPLOST Debt Service Fund in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

Auditee Response/Status: This finding was corrected during the current year and is not included in the Schedule of Findings and Questioned Costs for the year ending June 30, 2010.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF STATE CONTRACTUAL ASSISTANCE – DHR

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

We have audited the financial statements of Spalding County, Georgia as of and for the year ended June 30, 2010, and have issued our report thereon dated December 14, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of State Contractual Assistance - DHR is presented for purposes of additional analysis and is not a required part of the financial statements of Spalding County, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of management and federal awarding agencies and pass-through entities that are required to receive this report and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2010

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Program Name	Contract Number	Contract Period	Due From State June 30, 2009	Revenue Received	Expenditures	Due From State June 30, 2010
Community Services Block Grant	427-93-09090934	July 2009 - September 2009	$ 16,080	$ 38,196	$ 22,116	$ -
Community Services Block Grant ARRA	427-040-0000003668	October 2009 - June 2010	-	43,269	79,261	35,992
Community Services Block Grant	427-040-0000003498	October 2009 - June 2010	-	83,934	104,962	21,028
			$ 16,080	$ 165,399	$ 206,339	$ 57,020