SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2014

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

SPALDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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I. INTRODUCTORY SECTION

SPALDING COUNTY
BOARD OF COMMISSIONERS

Samuel C. Gardner, CHAIRMAN
Raymond T. Ray, Jr., VICE CHAIRMAN
Rita C. Johnson
Bart Miller, Jr.
Gwen Flowers-Taylor



COUNTY MANAGER
William P. Wilson, Jr.
COUNTY ATTORNEY
James R. Fortune, Jr.

December 10, 2014

To the Honorable Samuel C. Gardner, Chairman,
Members of the Board of Commissioners,
and Citizens of Spalding County, Georgia:

State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year, 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, 2014.

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 the 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 is to provide reasonable assurance that the financial statements of Spalding County for the fiscal year ended June 30, 2014 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, 2014 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.

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www.spaldingcounty.com

In accordance with certain provisions contained in the 1996 amendments to the Single Audit Act, the County is not required to issue a separate single audit report on federal programs activity for its fiscal year ended June 30, 2014. The dollar threshold of applicability requiring a single audit is $500,000 of which the County's program expenditures did not meet.

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 63,829. 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 30th, 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 economic outlook is increasingly influenced by the Atlanta region and is emerging out of the recession of the last six years. Unemployment had been relatively stable until the recession and during the past ten years, the unemployment rate has been as low as 6.0 percent in 2007 and as high as 16.20 percent in 2009. The current unemployment rate for Spalding County at June 20, 2014 is 9.20 percent. Although unemployment rates have risen nationwide over the last several years because of the recession, Spalding County's unemployment rates have historically been higher than national averages, due mainly to an agricultural and textile industry driven workforce. 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, along with Southern Crescent Technical College, leads the transition from a "mill town" to a "University Community" into the future. Many new degree programs are added each year to the UGA Griffin Campus curriculum and recent transfer articulation agreements with Gordon State College and Perimeter College aid in the expansion of the College. The UGA Griffin Campus in collaboration with the Griffin-Spalding County Development Authority and the State and Federal governments broke ground on a new $5.5 million dollar Food PIC or Product Innovation & Commercialization Center this year. This new center will be the first of its kind in the Southeast and will provide a $92 million dollar impact to the state's food industry. Also announced recently by the UGA is the construction of a new Turf Grass Facility at the Griffin Campus which will add to making Spalding County the higher education destination on the south side of Atlanta.

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 3,400 planned homes is touted to be an "active adult oasis" and the first Sun City branded product in Georgia.

During 2014 Sun City Peachtree opened three new pods and introduced a completely redesigned architecture. Spalding County is currently reviewing plans for four additional pods to open in early 2015. These new residents will create a demand for additional retail and commercial services, which will fuel growth in this economic sector of our community.

Spalding County's close proximity to Hartsfield-Jackson International Airport, combined with convenient four-lane access to Interstate 75, makes us a prime location for new industrial prospects. The completion of the new Lakes at Green Valley Industrial Park comes just in time, as the last remaining sites at the Green Valley Industrial Park are under contract. The first industry to locate in The Lakes is Otsuka Chemical Company, LTD's North American Headquarters which is currently under construction and scheduled to open in the second quarter 2015. Toppan Printing Company, LTD. recently broke ground on their $100 million dollar investment in The Lakes of Green Valley, Georgia's first eco-friendly Industrial Park. Currently, several other sites within the park are being considered by other industries. The local economy shows signs of improvement in the real estate market along with commercial construction and retail. Spalding Regional Hospital, one of the county's largest employers, has a new 5,000 square foot Medical Office Complex under construction and is actively recruiting physicians to the community.

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 South Atlanta metro location, while enjoying the benefits of the County's dedicated, growing, and increasingly sophisticated workforce.

Long term financial planning and major initiatives. The Commissioners adopted new Financial Policies and Procedures, including updated Purchasing Policies and Vehicle Use Policies earlier this year to aid in their goal to maintain unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The Commissioners goal is to maintain a general fund balance of 15 to 18 percent of total general fund revenues for budgetary and planning purposes. Unassigned fund balance in the general fund at year end was 2.95 percent of total general fund revenues. In the past several years fund balance has been utilized to balance the budget due to revenue shortfalls brought on by the recession. The Board of Commissioners approved an increase in the millage rate for the FY 2014 budget and has included a contribution to fund balance in the tax increase. In early 2012 the Board established a Budget Review Committee comprised of several members of the various department management teams to provide input from a new perspective into to the budget process. That Committee has brought forth several cost cutting measures that have been adopted by the Board and continues to work with Senior Staff to improve other processes as well.

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. Over the past three years the County has worked in conjunction with the City of Griffin and the newly created Griffin-Spalding Airport Authority on the planning, site analysis and environmental studies associated with an Airport relocation study. Public Hearings were held and both Boards reviewed the site analysis and agreed upon a location for the new Airport. Earlier this year the County, City and Authority entered into an Intergovernmental Agreement for the funding and construction of the new Airport and the Authority will be issuing Bonds for acquisition of the property in the very near future. The new airport is located in close proximity to the new Lakes at Green Valley Industrial Park and the intersection of soon-to-be relocated State Route 155 and State Route 16.

The County implemented a Special Purpose Local Option Sales Tax (SPLOST) which was 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. Other 2008 SPLOST projects included the acquisition, construction and development of additions to the Southern Crescent Technical College campus and infrastructure improvements in the County. These projects are pay-as-you-go projects and a majority of the infrastructure improvements have been completed. With the tax concluding in December of 2014 the funds for Southern Crescent Technical College will become available.

The Spalding County Water Authority's issuance of additional bonds in 2008 to expand and improve water service in the County has improved water pressure, firefighting capabilities, redundancy, and flow rates throughout the County for many years to come. In addition, the recent acquisition of the Springs Wastewater Treatment Plant will make possible the provision of sewer lines to Northern Spalding County, opening up new areas of service to previously unavailable areas. The Authority plans on refinancing the 2008 Bond Issue in early 2015 saving over $1M in interest expense thereby reducing operational costs for the Authority.

Relevant financial policies. Spalding County's budget ordinance requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). As a result of the economic downturn, actual revenues were less than appropriations ($38,565,640 versus $40,281,521). In such cases, the budget ordinance allows for the appropriation of fund balance to close the gap. However, thanks to measures taken during the year to control expenditures, no appropriation of fund balance was necessary to balance the budget since actual expenditures were less than appropriations ($37,240,098 versus $39,616,114). Spalding County ultimately saw an increase in fund balance of $855,862 for fiscal year 2014.

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, 2013. This was the thirteenth 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,

William P. Wilson, Jr.
County Manager

Jinna L. Garrison, CPA
Administrative Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Spalding County

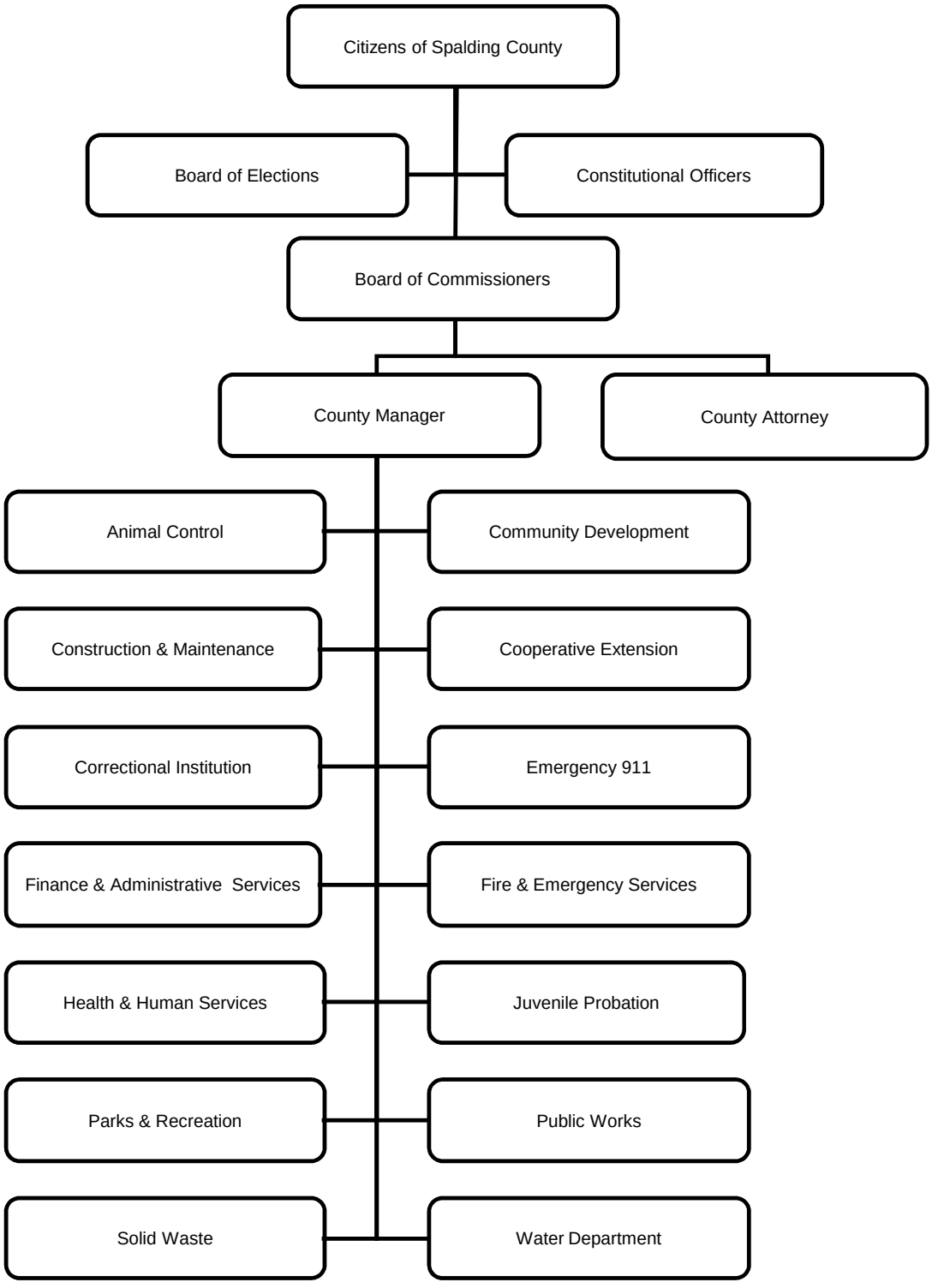
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

SPALDING COUNTY, GEORGIA
ORGANIZATIONAL CHART



SPALDING COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2014

BOARD OF COMMISSIONERS
Samuel "Chipper" Gardner, Chairman
Raymond T. Ray, Jr., Vice-Chairman
Gwen Flowers-Taylor
Rita Johnson
Bart Miller

COUNTY MANAGER
William P. Wilson, Jr.

ADMINISTRATIVE SERVICES DIRECTOR
Jinna L. Garrison, CPA

COUNTY ATTORNEY
James R. Fortune, Jr.

SHERIFF
Wendell Beam

TAX COMMISSIONER
Sylvia W. Hollums

CLERK OF SUPERIOR COURT
Marcia L. Norris

STATE COURT JUDGE
Sidney R. Esary

PROBATE COURT JUDGE
Jan Hunt

MAGISTRATE COURT JUDGE
Rita L. Cavanaugh

DISTRICT ATTORNEY
Scott Ballard

SUPERIOR COURT JUDGES
Christopher C. Edwards
Tommy R. Hankinson
W. Fletcher Sams
Robert Mack Crawford

II. FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

Report on Financial Statements

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** (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority, whose statements reflect total assets of $1,095,463 and $20,321,617, respectively, total net position of $955,267 and $20,301,415, respectively, and total revenues of $1,476,956 and $159,896, respectively, which collectively represent 38.5%, 48.4%, and 16.9%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Spalding County, Georgia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Fire District Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the County implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12) and the Schedule of Funding Progress (on page 65) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the introductory and statistical section, and the continuing disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 48-8-121, and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spalding County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 10, 2014

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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, 2014. 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, 2014, by $105,382,137 (net position).
- At June 30, 2014, the County's governmental funds reported combined ending fund balances of $26,951,227, an increase of $1,538,201 or 6.05% in comparison with the prior year. Of this amount, $1,138,889 remains in the various funds as unassigned.
- At June 30, 2014, the County's General Fund reported an unassigned fund balance of $1,138,875.
- The County's 2008 SPLOST Capital Project Fund closed fiscal year 2014 with a fund balance of $17,124,534. 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 13 – 15 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 (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 Highland Mills Sewer 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 and 2008 SPLOST Capital Projects 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 21 – 24. The basic governmental fund financial statements can be found on pages 16 – 19. 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 28 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 29 – 64 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 66 – 83 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Spalding County, assets exceed liabilities by $105,382,137 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (80.41%) 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 Position – Governmental Activities

	2014	2013
Current and other assets	$ 31,812,888	$ 29,407,919
Capital assets	90,162,904	91,580,096
Total assets	121,975,792	120,988,015
Long-term liabilities outstanding	8,342,115	17,941,273
Other liabilities	7,674,355	1,674,735
Total liabilities	16,016,470	19,616,008
Deferred inflow of resources	577,185	585,332
Net position:		
Net investment in capital assets	84,742,325	85,013,668
Restricted	22,961,705	22,485,176
Unrestricted	(2,321,893)	(6,712,169)
Total net position	$ 105,382,137	$ 100,786,675

An additional portion of Spalding County's net position (21.79%) 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 $2,321,893. 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 position increased $476,529. This included an increase in accumulation of Special Purpose Local Option Sales Tax funds which will be used to fund infrastructure and transportation improvements.

The County's deficit in unrestricted net assets decreased $4,390,276 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 position of the County.

Governmental Activities. Governmental activities increased the County's net position by $4,664,908. Key elements of this increase are as follows:

Spalding County's Changes in Net Position

	Governmental Activities 2014	Governmental Activities 2013
Revenues		
Program revenues:		
Charges for services	$ 9,068,329	$ 9,179,112
Operating grants and contributions	1,762,818	1,480,378
Capital grants and contributions	37,160	275,942
General revenues:		
Property taxes	24,660,616	23,156,753
Other taxes	19,473,605	17,996,019
Investment income	148,120	162,997
Total revenues	55,150,648	52,251,201
Expenses		
General government	7,034,101	7,179,178
Judicial	4,794,545	4,858,593
Public safety	27,191,157	27,907,077
Public works	7,115,261	4,423,522
Health and welfare	569,205	615,933
Culture and recreation	2,394,204	2,586,924
Housing and development	825,926	793,346
Interest on long-term debt	561,341	818,887
Total expenses	50,485,740	49,183,460
Increase (decrease) in net position	4,664,908	3,067,741
Net position, beginning of year	100,717,229	97,649,488
Net position, end of year	$ 105,382,137	$ 100,717,229

- Operating grants and contributions increased $282,440 over the previous fiscal year primarily due to reimbursements from the Georgia Department of Transportation.
- Capital grants and contributions decreased $238,782 due to the completion of the Highland Mills Sewer project that was funded with a Community Development Block Grant.
- Investment income decreased by $14,877, due to falling interest rates and declining cash balances.
- Property tax collections increased $1,503,863 over the previous year. Tax assessment appeals for tax years 2011, 2012 and 2013 that were the result of a county-wide tax assessment revaluation were settled by the Board of Equalization during Fiscal 2014.
- Other taxes, consisting mainly of sales taxes increased $1,477,586, due primarily to an increase in Special Purpose Local Option Sales Tax proceeds.

- Public works expenses increased $2,691,739 over the previous fiscal year due to the commencement of transportation projects funded by the 2008 SPLOST.

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, unassigned 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 $26,951,227, an increase of $1,538,201 in comparison with the prior year. Approximately 4.23% of this total amount ($1,138,875) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, $23,360,517 is restricted for public safety, capital projects, and debt service and $1,661,662 is assigned for various intended purposes.

The General Fund is the chief operating fund of Spalding County. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,138,875, while total fund balance reached $2,663,415. 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. Unassigned fund balance represents 3.06% of total general fund expenditures, while total fund balance represents 7.15% of that same amount.

The fund balance of Spalding County's General Fund increased by $838,902 during the current fiscal year. Collection of property taxes in appeal and management's control on spending 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 were used to finance the construction of 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 new Senior Citizens Center. At the end of the 2014 fiscal year, the 2005 SPLOST Capital Projects fund had a restricted fund balance of $500,002 which will be used to complete Phase II of the eight hundred megahertz radio operating system.

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 2014, the 2008 SPLOST Capital Projects fund had a restricted fund balance of $17,124,534, which is an increase of $1,938,801 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. It is an internal service fund where assets are set aside for claim settlements.

General Fund Budgetary Highlights

The net differences between the General Fund expenditures original budget and the final amended budget were $1,419,287 and can be summarized as follows:

- Increase in general government activities - $541,176 due primarily to a contribution to fund balance reserves funded by an unbudgeted reimbursement from the Department of Transportation;
- Increase in judicial functions - $20,849, due primarily to funding of two unpaid holidays;
- Increase in public safety functions - $486,270, due primarily to funding of two unpaid holidays and an increase in capital asset purchases;
- Increase in public works functions - $313,753, due primarily to funding of two unpaid holidays and an increase in road supplies;
- Increase in health and welfare services - $24,000, due primarily to building maintenance and utilities for the Spalding County Council on Aging;
- Increase in culture and recreation activities - $13,215, due primarily to funding of two unpaid holidays;
- Increase in housing and development - $3,064, due primarily to funding of two unpaid holidays;
- Increase in debt service - $16,960, due to interest expense on a tax anticipation note.

Of these increases, $860,000 was funded by a reimbursement from the Department of Transportation, $365,298 was funded by capital lease proceeds, and the remainder was funded through the use of fund balance.

Actual General Fund revenues of $38,565,640 were less than final budgeted revenues by $1,715,881. 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 $37,240,098 were less than final budgeted expenditures of $39,616,114 by $2,376,016. 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 net investment in capital assets for its governmental activities as of June 30, 2014, amounts to $84,742,325 (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 2014	Governmental Activities 2013
Land	$ 3,132,527	$ 3,132,527
Construction in progress	10,861,223	10,854,861
Land improvements	5,029,139	5,086,766
Buildings and improvements	27,796,210	28,682,223
Machinery and equipment	3,249,062	3,008,305
Furniture and fixtures	1,344	3,145
Intangibles	385,995	401,762
Infrastructure (roads)	39,707,404	40,410,507
Total	$ 90,162,904	$ 91,580,096

Overall, governmental capital assets decreased by a net amount of $1,417,192 during 2014 due to depreciation and the retirement of capital assets. Total governmental capital assets added during 2014 amounted to $1,670,644. Major projects consisted of the following:

- $859,265 in Public Safety vehicles and equipment;
- $87,626 in Housing and Development building renovations;
- $33,203 in machinery and equipment for the Correctional Institution;
- $52,472 in machinery and equipment for the Courthouse;
- $42,767 in infrastructure improvements related to the 2008 SPLOST;
- $564,633 in donated subdivision roads were accepted by the County; and
- $30,678 in right-of-way acquisitions.

Additional information on the County's capital assets can be found in Note 6 on pages 45 – 47 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 $3,300,000.

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 $157,283,679.

Spalding County has received an "A1" 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 47 – 53 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Spalding County is currently 9.2%, which is a decrease from a rate of 11.1% one year ago. The unemployment rate for the State of Georgia at June 30, 2014, is 7.4%.
- 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 Spalding County's unemployment rate and 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. It is expected that there will be no growth in the tax digest for 2014 with the exception of a possible decrease in the motor vehicle portion of the digest due to the State of Georgia's shift to the Title Ad Valorem Tax. In response, the County's recommended budgets for fiscal 2015 are based on a zero net digest growth (or decline) and no increases or decreases in the current millage rate.
- Spalding County's revised tax digest, after hearing tax appeals, has resulted in a net 7.23% increase in value to date. We anticipate that Spalding County's tax digest will grow as the economy begins to grow again, however, at a much slower rate than in previous years.
- On a positive note, two new industries, Otsuka Chemical Company Ltd. and Toppan Printing Company Ltd., have announced their intention to locate facilities in the new Lakes at Green Valley Industrial Park.

All of these factors were taken into consideration when preparing the 2015 budget. During the current fiscal year, unassigned fund balance in the general fund increased 187.5% to $1,138,875. There has been no appropriation of fund balance for spending in the 2015 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.

BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government	Component Units		
	Governmental Activities	Health Department	Development Authority	Water Authority
ASSETS				
Cash and cash equivalents	$ 24,733,865	$ 998,294	$ 161,752	$ 8,811,958
Investments	1,545,309	-	1,000,000	-
Property taxes receivable	2,133,204	-	-	-
Accounts receivable	609,977	-	636	699,083
Due from other governments	2,213,348	44,042	8,667	-
Due from primary government	-	22,593	-	124,422
Fair value of interest rate swap	577,185	-	-	-
Capital assets, non-depreciable	13,993,750	-	18,749,276	44,635
Capital assets, depreciable (net of accumulated depreciation)	76,169,154	30,534	401,286	24,520,454
Total assets	121,975,792	1,095,463	20,321,617	34,200,552
LIABILITIES				
Accounts payable	855,410	-	15,554	6,833
Accrued liabilities	1,359,625	-	4,648	9,908
Accrued interest payable	93,336	-	-	215,733
Due to other governments	-	44,042	-	-
Due to component unit	124,422	-	-	-
Liabilities payable from restricted assets	-	-	-	140,000
Claims payable due within one year	228,063	-	-	-
Claims payable due in more than one year	236,712	-	-	-
Capital leases due within one year	398,430	-	-	-
Capital leases due in more than one year	1,186,685	-	-	-
Bonds payable due within one year	3,313,053	-	-	-
Bonds payable due in more than one year	-	-	-	11,180,449
Compensated absences due within one year	756,940	25,459	-	9,408
Compensated absences due in more than one year	504,626	70,695	-	6,272
Certificates of participation due within one year	441,581	-	-	-
Certificates of participation due in more than one year	4,620,000	-	-	-
Landfill due within one year	103,495	-	-	-
Landfill due in more than one year	844,398	-	-	-
Net OPEB obligation due in more than one year	674,200	-	-	-
Net pension obligation due in more than one year	275,494	-	-	-
Total liabilities	16,016,470	140,196	20,202	11,568,603
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging activities	577,185	-	-	-
NET POSITION				
Net investment in capital assets	84,742,325	30,534	19,150,562	13,244,642
Restricted for:				
Grant purposes	6,127	-	-	-
Judicial	347,360	-	-	-
Public safety	1,835,839	-	-	-
Culture and recreation	436,686	-	-	-
Capital projects	18,870,943	-	-	-
Debt service	1,464,750	-	-	-
Other purposes	-	647,522	-	-
Unrestricted	(2,321,893)	277,211	1,150,853	9,387,307
Total net position	$ 105,382,137	$ 955,267	$ 20,301,415	$ 22,631,949

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 7,034,101	$ 1,787,846	$ 25,837	$ 8,452
Judicial	4,794,545	1,627,286	573,431	-
Public safety	27,191,157	5,225,633	183,665	101
Public works	7,115,261	181,163	894,247	28,175
Health and welfare	569,205	-	79,058	-
Culture and recreation	2,394,204	233,983	6,580	-
Housing and development	825,926	12,418	-	432
Interest on long-term debt	561,341	-	-	-
Total primary government	$ 50,485,740	$ 9,068,329	$ 1,762,818	$ 37,160
Component units:				
Health Department	$ 1,337,818	$ 592,935	$ 883,013	$ -
Development Authority	510,587	25,000	110,100	21,652
Water Authority	7,074,702	8,021,289	-	28,175
Total component units	$ 8,923,107	$ 8,639,224	$ 993,113	$ 49,827
General revenues:				
Property taxes				
Alcoholic beverage taxes				
Vehicle taxes				
Sales taxes				
Intangible taxes				
Insurance premium taxes				
Hotel/motel taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government	Component Units			
Governmental Activities	Health Department	Development Authority	Water Authority	
$ (5,211,966)	$ -	$ -	$ -	
(2,593,828)	-	-	-	
(21,781,758)	-	-	-	
(6,011,676)	-	-	-	
(490,147)	-	-	-	
(2,153,641)	-	-	-	
(813,076)	-	-	-	
(561,341)	-	-	-	
(39,617,433)	-	-	-	
-	138,130	-	-	
-	-	(353,835)	-	
-	-	-	974,762	
-	138,130	(353,835)	974,762	
24,660,616	-	-	-	
330,240	-	-	-	
2,609,866	-	-	-	
13,830,494	-	-	-	
196,240	-	-	-	
1,861,717	-	-	-	
116,554	-	-	-	
528,494	-	-	-	
148,120	1,008	3,144	21	
44,282,341	1,008	3,144	21	
4,664,908	139,138	(350,691)	974,783	
100,717,229	816,129	20,652,106	21,657,166	
$ 105,382,137	$ 955,267	$ 20,301,415	$ 22,631,949	

SPALDING COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General	Fire District	Capital Projects 2008 SPLOST
Cash and cash equivalents	$ 3,062,126	$ 1,370,752	$ 16,651,316
Investments	-	-	-
Property taxes receivable	1,716,752	416,452	-
Accounts receivable	135,670	-	-
Prepaid expenses	316,954	-	-
Due from other governments	765,592	-	698,619
Due from other funds	7,433	45,103	-
Total assets	$ 6,004,527	$ 1,832,307	$ 17,349,935
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 739,338	$ 20,054	$ 5,600
Accrued liabilities	916,070	184,076	213,931
Due to other funds	74,066	-	5,870
Due to component unit	124,422	-	-
Deferred revenue	1,487,216	381,138	-
Total liabilities	3,341,112	585,268	225,401
FUND BALANCES			
Fund balances:			
Restricted for:			
Grant purposes	-	-	-
Judicial	-	-	-
Public safety	-	1,247,039	-
Culture and recreation	-	-	-
Capital projects	-	-	17,124,534
Debt service	-	-	-
Assigned for:			
General government	9,879	-	-
Public safety	24,395	-	-
Public works	7,599	-	-
Culture and recreation	6,708	-	-
Capital projects	-	-	-
Sales taxes	1,462,615	-	-
Tricentennial Celebration	1,986	-	-
Memorial Gifts	11,357	-	-
Unassigned	1,138,875	-	-
Total fund balances	2,663,415	1,247,039	17,124,534
Total liabilities and fund balances	$ 6,004,527	$ 1,832,307	$ 17,349,935

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
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 obligation 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, and the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Net position of governmental activities

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

Other Governmental Funds	Total Governmental Funds
$ 3,646,788	$ 24,730,982
1,459,495	1,459,495
-	2,133,204
149,421	285,091
-	316,954
749,137	2,213,348
28,962	81,498
$ 6,033,803	$ 31,220,572
$ 70,454	$ 835,446
45,548	1,359,625
1,562	81,498
-	124,422
-	1,868,354
117,564	4,269,345
6,127	6,127
347,360	347,360
551,668	1,798,707
436,686	436,686
2,972,526	20,097,060
1,464,750	1,464,750
-	9,879
-	24,395
-	7,599
-	6,708
137,122	137,122
-	1,462,615
-	1,986
-	11,357
-	1,138,875
5,916,239	26,951,227
$ 6,033,803	
	90,162,904
	1,291,169
	(11,685,359)
	(275,494)
	(674,200)
	(388,110)
	$ 105,382,137

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General	Fire District	Capital Projects 2008 SPLOST
REVENUES			
Property taxes	$ 20,868,728	$ 3,737,062	$ -
Alcoholic beverage taxes	330,240	-	-
Vehicle taxes	2,609,866	-	-
Sales taxes	4,916,207	-	6,990,766
Other taxes	699,170	1,887,281	-
Licenses and permits	227,586	-	-
Intergovernmental	1,615,465	52,801	-
Charges for services	4,732,910	-	-
Court fees, fines and forfeitures	1,162,421	-	-
Interest	8,452	-	432
Contributions and donations	6,580	-	-
Rentals	172,800	-	-
Other	1,215,215	302	-
Total revenues	38,565,640	5,677,446	6,991,198
EXPENDITURES			
Current:			
General government	4,368,741	-	600
Judicial	4,238,357	-	-
Public safety	20,690,626	5,021,292	-
Public works	3,874,610	-	-
Health and welfare	491,644	-	-
Culture and recreation	2,265,625	-	-
Housing and development	728,191	-	-
Intergovernmental	-	-	2,278,890
Capital outlay	-	222,874	2,562,920
Debt service:			
Principal	431,655	281,619	-
Interest	150,649	50,965	1,149
Total expenditures	37,240,098	5,576,750	4,843,559
Excess (deficiency) of revenues over (under) expenditures	1,325,542	100,696	2,147,639
OTHER FINANCING SOURCES (USES)			
Transfers in	574,136	-	-
Transfers out	(1,060,776)	(1,681)	(208,838)
Total other financing sources (uses)	(486,640)	(1,681)	(208,838)
Net change in fund balances	838,902	99,015	1,938,801
FUND BALANCES, beginning of year	1,824,513	1,148,024	15,185,733
FUND BALANCES, end of year	$ 2,663,415	$ 1,247,039	$ 17,124,534

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

Other Governmental Funds	Total Governmental Funds
$ -	$ 24,605,790
-	330,240
-	2,609,866
1,923,521	13,830,494
116,554	2,703,005
-	227,586
115,845	1,784,111
1,263,929	5,996,839
293,057	1,455,478
142,272	151,156
-	6,580
-	172,800
411	1,215,928
3,855,589	55,089,873
37,026	4,406,367
93,178	4,331,535
1,549,272	27,261,190
-	3,874,610
78,483	570,127
-	2,265,625
154,500	882,691
-	2,278,890
168,274	2,954,068
3,368,072	4,081,346
442,460	645,223
5,891,265	53,551,672
(2,035,676)	1,538,201
1,062,457	1,636,593
(365,298)	(1,636,593)
697,159	-
(1,338,517)	1,538,201
7,254,756	25,413,026
$ 5,916,239	$ 26,951,227

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, 2014

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

Net change in fund balances - total governmental funds	$	1,538,201
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.		(1,394,432)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(23,039)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		54,826
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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.		4,170,176
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.		(11,277)
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.		330,453
	$	4,664,908

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 24,087,203	$ 22,849,382	$ 20,868,728	$ (1,980,654)
Alcoholic beverage taxes	330,500	330,500	330,240	(260)
Vehicle taxes	33,000	1,433,000	2,609,866	1,176,866
Sales taxes	5,200,000	5,200,000	4,916,207	(283,793)
Other taxes	784,500	784,500	699,170	(85,330)
Licenses and permits	234,300	234,300	227,586	(6,714)
Intergovernmental	562,775	1,423,775	1,615,465	191,690
Charges for services	5,317,469	5,318,319	4,732,910	(585,409)
Court fees, fines and forfeitures	1,276,400	1,285,400	1,162,421	(122,979)
Interest	-	-	8,452	8,452
Contributions and donations	-	-	6,580	6,580
Rentals	180,780	180,780	172,800	(7,980)
Other	1,237,565	1,241,565	1,215,215	(26,350)
Total revenues	39,244,492	40,281,521	38,565,640	(1,715,881)
EXPENDITURES				
Current:				
General government:				
Board of commissioners	307,903	310,018	298,765	11,253
Board of elections	160,947	161,317	126,452	34,865
Administration	244,028	245,643	235,621	10,022
Finance	100,976	101,716	102,823	(1,107)
Information systems	129,292	132,592	129,840	2,752
Human resources	176,453	177,807	178,312	(505)
Tax commissioner	771,957	775,735	695,338	80,397
Tax assessors	517,989	520,697	469,125	51,572
Construction and maintenance	333,271	335,550	306,570	28,980
Janitorial services	97,508	98,182	96,322	1,860
General appropriations	2,039,400	2,561,643	1,729,573	832,070
Total general government	4,879,724	5,420,900	4,368,741	1,052,159
Judicial:				
Superior court	178,590	178,590	159,041	19,549
Griffin judicial circuit	869,062	872,685	838,393	34,292
Clerk of court	733,148	736,661	668,217	68,444
District attorney	434,371	434,371	434,750	(379)
State court	614,116	623,881	586,492	37,389
Solicitor	180,529	181,194	176,326	4,868
Magistrate court	745,178	747,572	734,437	13,135
Probate court	223,515	224,404	218,203	6,201
Public defender	41,259	41,259	36,893	4,366
Public defender circuit	385,605	385,605	385,605	-
Total judicial	4,405,373	4,426,222	4,238,357	187,865

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Current: (Continued)				
Public safety:				
Sheriff	$ 635,412	$ 674,641	$ 636,044	$ 38,597
Victim services	76,386	76,704	71,193	5,511
Warrant division	585,619	589,356	594,342	(4,986)
Criminal investigation division	889,373	894,932	876,094	18,838
Uniform patrol division	3,159,544	3,506,270	3,323,279	182,991
Jail	7,456,280	7,486,592	7,032,185	454,407
Narcotics task force	968,185	973,561	961,123	12,438
Correctional institution	5,752,409	5,780,788	5,872,260	(91,472)
Juvenile probation	469,958	473,161	471,769	1,392
Coroner	53,704	54,554	51,634	2,920
800 MHz communication	440,610	450,614	462,394	(11,780)
Animal control	303,529	316,106	311,785	4,321
Emergency management	25,994	25,994	26,524	(530)
Total public safety	20,817,003	21,303,273	20,690,626	612,647
Public works:				
Public works	2,687,263	2,998,054	2,813,273	184,781
Solid waste collection	765,538	766,691	787,231	(20,540)
Garage	274,088	275,897	274,106	1,791
Total public works	3,726,889	4,040,642	3,874,610	166,032
Health and welfare:				
Health	437,439	437,439	440,901	(3,462)
Welfare	34,500	58,500	50,743	7,757
Total health and welfare	471,939	495,939	491,644	4,295
Culture and recreation:				
Recreation	501,239	502,762	466,101	36,661
Senior citizens' bus	35,739	35,739	19,897	15,842
Parks	1,741,007	1,752,699	1,578,647	174,052
Libraries	200,980	200,980	200,980	-
Total culture and recreation	2,478,965	2,492,180	2,265,625	226,555
Housing and development:				
Cooperative extension service	158,256	158,256	132,306	25,950
Community development	405,362	407,713	393,542	14,171
Code enforcement	119,466	120,179	102,343	17,836
Development Authority	100,000	100,000	100,000	-
Total housing and development	783,084	786,148	728,191	57,957

(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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Debt service:				
Principal	$ 500,150	$ 500,150	$ 431,655	$ 68,495
Interest	133,700	150,660	150,649	11
Total debt service	633,850	650,810	582,304	68,506
Total expenditures	38,196,827	39,616,114	37,240,098	2,376,016
Excess (deficiency) of revenues under expenditures	1,047,665	665,407	1,325,542	660,135
OTHER FINANCING SOURCES (USES)				
Transfers in	-	365,298	574,136	208,838
Transfers out	(1,047,665)	(1,047,665)	(1,060,776)	(13,111)
Total other financing sources (uses)	(1,047,665)	(682,367)	(486,640)	195,727
Net change in fund balances	-	(16,960)	838,902	855,862
FUND BALANCES, beginning of year	1,824,513	1,824,513	1,824,513	-
FUND BALANCES, end of year	$ 1,824,513	$ 1,807,553	$ 2,663,415	$ 855,862

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, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 4,097,303	$ 4,066,999	$ 3,737,062	$ (329,937)
Other taxes	1,833,000	1,833,000	1,887,281	54,281
Intergovernmental	37,000	37,000	52,801	15,801
Other	-	-	302	302
Total revenues	5,967,303	5,936,999	5,677,446	(259,553)
EXPENDITURES				
Current:				
Public safety	5,634,713	5,604,409	5,021,292	583,117
Capital outlay	-	-	222,874	(222,874)
Debt service:				
Principal	383,675	383,675	281,619	102,056
Interest	74,730	74,730	50,965	23,765
Total expenditures	6,093,118	6,062,814	5,576,750	486,064
Excess (deficiency) of revenues over (under) expenditures	(125,815)	(125,815)	100,696	226,511
OTHER FINANCING SOURCES				
Transfers in	125,815	125,815	-	(125,815)
Transfers out	-	-	(1,681)	(1,681)
Total other financing sources (uses)	125,815	125,815	(1,681)	(127,496)
Net change in fund balances	-	-	99,015	99,015
FUND BALANCES, beginning of year	1,148,024	1,148,024	1,148,024	-
FUND BALANCES, end of year	$ 1,148,024	$ 1,148,024	$ 1,247,039	$ 99,015

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Governmental Activities - Internal Service Funds
	Workers' Compensation
ASSETS	
CURRENT ASSETS	
Cash	$ 2,883
Investments	85,814
Accounts receivable	7,932
Total current assets	96,629
Total assets	96,629
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	19,964
Current portion of claims payable	228,063
Total current liabilities	248,027
NONCURRENT LIABILITIES	
Claims payable, net of current portion	236,712
Total noncurrent liabilities	236,712
Total liabilities	484,739
NET POSITION	
Unrestricted	(388,110)
Total net position (deficit)	$ (388,110)

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

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Governmental Activities - Internal Service Funds
	Workers' Compensation
OPERATING REVENUES	
Contributions	$ 850,727
Total operating revenues	850,727
OPERATING EXPENSES	
Claims paid	237,214
Administration and other costs	289,009
Total operating expenses	526,223
Operating loss	324,504
NON-OPERATING REVENUES	
Interest income	5,949
Total non-operating revenues	5,949
Change in net position	330,453
NET POSITION (DEFICIT), beginning of year	(718,563)
NET POSITION (DEFICIT), end of year	$ (388,110)

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, 2014

	Governmental Activities - Internal Service Funds
	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	$ 850,727
Payments for insurance claims	(476,732)
Payments to suppliers for services provided	(289,009)
Net cash provided by operating activities	84,986
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales of investments	(84,534)
Interest received	5,949
Net cash used in investing activities	(78,585)
Net increase in cash and cash equivalents	6,401
Cash and cash equivalents, beginning of year	(3,518)
Cash and cash equivalents, end of year	$ 2,883
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 324,504
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Increase in accounts receivable	(2)
Decrease in claims payable	(239,516)
Net cash provided by operating activities	$ 84,986

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash	$ 930,006
Taxes receivable	3,917,224
Accounts receivable	23,392
Total assets	$ 4,870,622
LIABILITIES	
Due to others	$ 4,870,622

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 position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. *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.

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 County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

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. Deferred Outflows / Inflows of Resources

The County implemented Governmental Accounting Standards Board Statements No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2013. This standard establishes accounting and financial reporting for the concept of net position as the residual of all other elements presented in a statement of net matter.

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County had one type of item under the full-accrual basis of accounting that qualifies for reporting in this category. An e*ffective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

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

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

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

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

L. 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 Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $11,685,359 difference are as follows:

Capital leases payable	$	(1,585,115)
General obligation bonds payable		(3,300,000)
Plus: Issuance premium (to be amortized against interest expense)		(13,053)
Certificates of participation		(5,061,581)
Less: Fair value of interest rate swap		577,185
Landfill postclosure costs		(947,893)
Compensated absences		(1,261,566)
Accrued interest		(93,336)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(11,685,359)

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 $1,291,169 difference are as follows:

Deferred property tax revenue	$	1,868,354
Deferred fair value of interest rate swap		(577,185)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	1,291,169

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 reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,394,432 difference are as follows:

Capital outlay	$	1,719,773
Depreciation expense		(3,114,205)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(1,394,432)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this $4,170,176 difference are as follows:

Principal repayments:		
Capital leases	$	468,811
Bonds payable		3,200,000
Certificates of participation		412,535
Landfill postclosure costs		88,830
Net adjustment to increase net changes in *fund balances - total governmental funds* to arrive at changes in *net position - governmental activities*	$	4,170,176

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 "Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds." The details of this $11,277 difference are as follows:

Compensated absences	$	5,469
Amortization of premium on general obligation bonds		19,581
Accrued interest		64,301
Net OPEB obligation		(124,488)
Net pension obligation		23,860
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(11,277)

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.

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.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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. Excess of Expenditures Over Appropriations

For the year ended June 30, 2014, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund:	
Finance	$ 1,107
Human resources	505
District attorney	379
Warrant division	4,986
Correctional institution	91,472
800 MHz communication	11,780
Emergency management	530
Solid waste collection	20,540
Health	3,462
Fire District Fund:	
Capital outlay	222,874
Community Services Block Grant Fund	
General government	4,838
Tourism	59,500

The over-expenditures in the General, the Fire District, the Community Services Block Grant and the Tourism Funds were funded by under-expenditures in other departments.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2014 are summarized as follows:

Balances per statement of net position:		
Cash and cash equivalents - Primary government	$	24,733,865
Cash and cash equivalents - Health Department		998,294
Cash and cash equivalents - Development Authority		161,752
Cash and cash equivalents - Water Authority		8,811,958
Investments - Primary government		1,545,309
Investments - Development Authority		1,000,000
Balances per statement of fiduciary net position:		
Cash - Agency funds		930,006
	$	38,181,184
Balances by type:		
Cash deposited with financial institutions	$	19,984,556
Money market		16,651,320
Mutual bond funds		85,814
Guaranteed Investment Contracts		1,459,494
	$	38,181,184

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, 2014, 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, 2014, the County had the following investments:

Investment	Maturities	Fair Value
Money market	N/A	$ 16,651,320
Mutual bond fund	N/A	85,814
Guaranteed Investment Contract	June 1, 2028	1,459,494
		$ 18,196,628

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, 2014, 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, 2014 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Fire District	2008 SPLOST
Receivables:			
Taxes	$ 2,458,915	$ 416,452	$ -
Accounts	135,670	-	-
Due from other governments	765,592	-	698,619
Gross receivables	3,360,177	416,452	698,619
Less allowance for uncollectibles	742,163	-	-
Net total receivables	$ 2,618,014	$ 416,452	$ 698,619

	Nonmajor and Other Funds	Total Governmental	Internal Service Fund
Receivables:			
Taxes	$ -	$ 2,875,367	$ -
Accounts	149,421	285,091	7,932
Due from other governments	749,137	2,213,348	-
Gross receivables	898,558	5,373,806	7,932
Less allowance for uncollectibles	-	742,163	-
Net total receivables	$ 898,558	$ 4,631,643	$ 7,932

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, 2013, upon which the fiscal 2014 levy was based, was the gross digest amount of $1,605,836,786 (40% of the estimated market value of $4,014,591,965).

The tax billing cycle for fiscal year 2014 is as follows:

Tax bills mailed	October 18, 2013
Payment due date	December 20, 2013
Delinquency date	December 21, 2013
Lien date	July 10, 2014

The distribution of the County's levy (tax rate per $1,000 assessed value) as of June 30, 2014 is as follows:

General government	16.01 mills
Fire District	4.17 mills
School System	19.47 mills
State of Georgia	.015 mills

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 3,132,527	$ -	$ -	$ -	$ 3,132,527
Constuction in progress	10,854,861	49,129	-	(42,767)	10,861,223
Total	13,987,388	49,129	-	(42,767)	13,993,750
Capital assets, being depreciated:					
Land improvements	6,820,990	87,627	-	-	6,908,617
Building improvements	45,316,180	-	-	-	45,316,180
Machinery and equipment	18,416,871	987,425	(542,361)	-	18,861,935
Furniture and fixtures	47,596	-	-	-	47,596
Intangibles	583,961	30,959	-	-	614,920
Infrastucture	81,289,887	564,633	-	42,767	81,897,287
Total	152,475,485	1,670,644	(542,361)	42,767	153,646,535
Less accumulated depreciation for:					
Land improvements	(1,734,224)	(145,254)	-	-	(1,879,478)
Building improvements	(16,633,957)	(886,013)	-	-	(17,519,970)
Machinery and equipment	(15,408,566)	(723,908)	519,601	-	(15,612,873)
Furniture and fixtures	(44,451)	(1,801)	-	-	(46,252)
Intangibles	(182,199)	(46,726)	-	-	(228,925)
Infrastructure	(40,879,380)	(1,310,503)	-	-	(42,189,883)
Total	(74,882,777)	(3,114,205)	519,601	-	(77,477,381)
Total capital assets, being depreciated, net	77,592,708	(1,443,561)	(22,760)	42,767	76,169,154
Total capital assets, net	$ 91,580,096	$ (1,394,432)	$ (22,760)	$ -	$ 90,162,904

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

Governmental activities:	
General government	$ 404,846
Judicial	498,273
Public safety	716,268
Public works	1,307,966
Culture and recreation	186,852
Total depreciation expense - governmental activities	$ 3,114,205

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	$ 148,621	$ 23,798	$ -	$ 172,419
Less accumulated depreciation for:				
Machinery and equipment	(138,817)	(3,068)	-	(141,885)
Total capital assets, net	$ 9,804	$ 20,730	$ -	$ 30,534

C. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land development costs	$ 356,720	$ -	$ -	$ 356,720
Land, industrial parks	3,008,065	-	-	3,008,065
Construction in progress	15,362,839	21,652	-	15,384,491
Total	18,727,624	21,652	-	18,749,276
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	(274,580)	(17,332)	-	(291,912)
Furniture and fixtures	(163,331)	-	-	(163,331)
Total	(437,911)	(17,332)	-	(455,243)
Total capital assets, being depreciated, net	418,618	(17,332)	-	401,286
Total capital assets, net	$ 19,146,242	$ 4,320	$ -	$ 19,150,562

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Discretely Presented Component Unit – Water Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 13,500	$ -	$ -	$ -	$ 13,500
Construction in progress	656,823	73,877	-	(699,565)	31,135
Total	670,323	73,877	-	(699,565)	44,635
Capital assets, being depreciated:					
Water delivery system	31,972,451	6,784	-	-	31,979,235
Sewer system	1,365,731	-	-	699,565	2,065,296
Buildings	48,751	-	-		48,751
Machinery and equipment	781,780	-	-		781,780
Intangibles	145,279	-	-		145,279
Total	34,313,992	6,784	-	699,565	35,020,341
Less accumulated depreciation for:					
Water delivery system	(8,891,400)	(639,585)	-	-	(9,530,985)
Sewer system	(91,375)	(41,306)	-	-	(132,681)
Buildings	(40,931)	(198)	-	-	(41,129)
Machinery and equipment	(781,780)	-	-	-	(781,780)
Intangibles	(10,406)	(2,906)	-	-	(13,312)
Total	(9,815,892)	(683,995)	-	-	(10,499,887)
Total capital assets, being depreciated, net	24,498,100	(677,211)	-	699,565	24,520,454
Total capital assets, net	$ 25,168,423	$ (603,334)	$ -	$ -	$ 24,565,089

NOTE 7. SHORT-TERM DEBT

Tax Anticipation Note. On September 9, 2013, the County borrowed $6,900,000 in the form of a tax anticipation note for cash flow purposes. The interest rate on the tax anticipation note was 0.9832%. The entire amount plus accrued interest was repaid on December 18, 2013.

The following is a summary of short-term debt transactions for the County for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation note	$ -	$ 6,900,000	$ (6,900,000)	$ -

NOTE 8. 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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2008 General obligation bonds	$ 6,500,000	$ -	$ (3,200,000)	$ 3,300,000	$ 3,300,000
Plus unamortized premium	32,634	-	(19,581)	13,053	13,053
General obligation bonds, net	6,532,634	-	(3,219,581)	3,313,053	3,313,053
Certificates of participation	5,474,116	-	(412,535)	5,061,581	441,580
Capital leases	2,053,926	-	(468,811)	1,585,115	398,430
Claims payable	727,773	-	(262,998)	464,775	228,063
Compensated absences	1,267,035	775,400	(780,869)	1,261,566	756,940
Landfill postclosure costs	1,036,723	-	(88,830)	947,893	103,495
Net Pension obligation	299,354	-	(23,860)	275,494	-
Net OPEB obligation	549,712	157,583	(33,095)	674,200	-
Governmental activities Long-term liabilities	$ 17,941,273	$ 932,983	$ (5,290,579)	$ 13,583,677	$ 5,241,561

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

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, 2014:

	Governmental Activities
Machinery and equipment	$ 3,087,222
Buildings	1,500,000
Less accumulated depreciation	(1,776,712)
Carrying value	$ 2,810,510

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Current year deprecation of assets under capital lease totaled $235,000 and is included in depreciation expense within the public safety function of governmental activities on the statement of activities.

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

Fiscal year ending June 30,	
2015	$ 458,397
2016	458,397
2017	458,397
2018	180,817
2019	180,817
Total minimum lease payments	1,736,825
Less amount representing interest	151,710
Present value of future minimum lease payments	$ 1,585,115

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 were 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, 2014 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Various	3.50 - 5.00%	6 years	2015	$ 15,500,000	$ 3,300,000
	Plus unamortized premium				13,053
					$ 3,313,053

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

Fiscal year ending June 30,	Principal	Interest
2015	$ 3,300,000	$ 132,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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 County 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 County's participation totaling $2,500,000. The lease pool agreement with the Association provides that the County 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 County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County 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 County a semi-annual 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 County 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 County, 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 County’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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. (Continued) In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength with the counterparty being rated Aa3 by Moody's. At June 30, 2014, the floating rate being paid by the County is 0.35% and the market value of this agreement is $577,185, a decrease of $8,148 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, 2014 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 position. 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 a deferred inflow of resources in the statement of net position.

Annual debt service requirements on the certificates of participation are as follows:

Fiscal year ending June 30,	Principal	Interest
2015	$ 441,581	$ 227,534
2016	375,000	206,526
2017	390,000	189,005
2018	420,000	170,488
2019	450,000	150,690
2020-2024	485,000	604,610
2025-2029	2,500,000	475,000
Total	$ 5,061,581	$ 2,023,853

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, 2014, the County has a remaining 12 years of monitoring. Engineering studies estimate postclosure costs of approximately $947,893 over the 10-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, 2014. 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 8. 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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2002	$ 1,000,000	$ -	$ (1,000,000)	$ -	$ -
Deferred amounts:					
Premium	1,705	-	(1,705)	-	-
Refunding loss	(6,763)	-	6,763	-	-
Bonds payable, Series 2008	11,380,000	-	(20,000)	11,360,000	140,000
Deferred amounts:					
Discount	(42,427)	-	2,876	(39,551)	-
Total bonds payable	12,332,515	-	(1,012,066)	11,320,449	140,000
Compensated absences	15,955	8,935	(9,210)	15,680	9,408
Water Authority					
Long-term liabilities	$ 12,348,470	$ 8,935	$ (1,021,276)	$ 11,336,129	$ 149,408

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, 2014, are as follows:

NOTE 8. 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 2008	4.00%	20 years	2028	$ 11,380,000	$ 11,360,000
	Less unamortized discount				(39,551)
					$ 11,320,449

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

Fiscal year ending June 30,	Principal	Interest
2015	$ 140,000	$ 644,400
2016	255,000	636,181
2017	370,000	622,438
2018	495,000	601,738
2019	600,000	574,363
2020-2024	4,030,000	2,360,763
2025-2029	5,470,000	878,938
Total	$ 11,360,000	$ 6,318,821

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2008 SPLOST Capital Projects Fund	$ 5,870
General Fund	Nonmajor governmental funds	1,562
Nonmajor governmental funds	General Fund	28,962
Fire District Fund	General Fund	45,103
		$ 81,497

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	$ 365,298
Nonmajor governmental funds	Fire District Fund	1,681
General Fund	SPLOST 2008 Fund	208,838
Nonmajor governmental funds	General Fund	1,060,776
		$ 1,636,593

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

NOTE 10. DEFINED BENEFIT PENSION 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, 2014, (the most recent actuarial valuation date) are as follows:

	June 30, 2014	June 30, 2013
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 1,238,829	$ 1,204,916
Interest on Net Pension Obligation	14,846	(19,322)
Amortization of Net Pension Obligation	(16,004)	20,674
Annual Pension Cost	$ 1,237,671	$ 1,206,268

While the Plan year is on a calendar year basis, the annual pension cost has been calculated based on a fiscal year basis.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Derivation of Net Pension Obligation

Annual Pension Cost	$ 1,237,671
Actual Contributions to Plan	1,261,531
Decrease in Net Pension Obligation	(23,860)
Net Pension Obligation as of Beginning of Year	299,354
Net Pension Obligation as of End of Year	$ 275,494

Basis of Valuation

Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.5%
Projected Annual Salary Increases	2.5% - 5.0% 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

Fiscal Year	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
2014	$ 1,237,671	$ 1,261,531	102 %	$ 275,494
2013	1,206,268	262,988	22	299,354
2012	1,148,964	1,288,782	112	(643,926)
2011	1,099,041	1,203,134	109	(504,108)
2010	1,003,158	1,179,201	118	(400,015)
2009	716,603	805,360	112	(223,972)
2008	702,143	817,161	116	(135,215)

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Actuarial Valuation & 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
12/31/2013	$ 18,843,993	$ 24,855,458	$ 6,011,465	75.8%	$ 15,053,439	39.9%

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, 2014.

NOTE 11. 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, 2014, there were 365 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. The County's contribution for each employee is 100% vested after five (5) years of continuous service. For the fiscal year ending June 30, 2014, the County's contribution to the Plan was $1,779,737. The amount contributed by employees was $643,923.

NOTE 12. OTHER POST EMPLOYMENT BENEFITS

In accordance with GASB 45 requirements, the County is required to attribute the cost of post-retirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post-retirement 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, 2014. 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, 2014. The plan does not issue a separate stand-alone report and is not included in the report of another entity.

The County provides post-retirement 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, six employees are enrolled in post-retirement health care benefits.

NOTE 12. 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, 2013.

Active members	474
Retired members	5
	479

Contributions

The County contributed $33,096 to the postretirement benefit plan in fiscal year 2014. 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
7/1/13	$ 157,584	$ 33,096	21 %	$ 674,200
7/1/12	157,585	24,759	16	549,712
7/1/11	182,055	21,996	12	416,886
7/1/10	182,055	61,374	34	256,827
7/1/09	98,399	27,214	28	136,146

Annual Pension Cost

The County's annual OPEB cost and net OPEB obligation for the year ending June 30, 2014 are as follows:

	June 30, 2014
Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 162,291
Interest on Net OPEB Obligation	19,685
Amortization of Net OPEB Obligation	(24,392)
Annual OPEB Cost	$ 157,584

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Derivation of Net OPEB Obligation		
Annual OPEB Cost	$	157,584
Actual Contributions to Plan		33,096
Increase in Net OPEB Obligation		124,488
Net OPEB Obligation as of Beginning of Year		549,712
Net OPEB Obligation as of End of Year	$	674,200

As of the most recent valuation date, June 30, 2013, the funded status of the postretirement benefit plan was as follows:

Actuarial Valuation & 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
6/30/2012	$ -	$ 1,210,735	$ 1,210,735	0.0%	$ 20,624,315	5.9%

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 June 30, 2014.

NOTE 12. 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, 2014. The assumptions used in the June 30, 2013 actuarial valuation are as follows:

Basis of Valuation	
Current Valuation Date	June 30, 2013
Actuarial Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Market Value of Assets
Inflation Rate	N/A
Discount Rate for Benefit Obligations	5.0%
Assumed Rate of Return on:	
Healthcare Cost Trend Rate	10%
Ultimate Healthcare Cost Trend Rate	5%
Year of Ultimate Trend Rate	2025
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 13. 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 13. RISK MANAGEMENT (CONTINUED)

The County has joined together with other counties 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 $464,775 as of June 30, 2014, 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 13. 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 2014 and 2013 were as follows:

Workers' Compensation Trust Fund	June 30, 2014	June 30, 2013
Unpaid claims, beginning of fiscal year	$ 727,773	$ 601,660
Expenses incurred	237,214	613,111
Payments disbursed	(500,212)	(486,998)
Unpaid claims, end of fiscal year	$ 464,775	$ 727,773

NOTE 14. 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 15. JOINT VENTURES

Airport

During the year ended June 30, 2014, 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 2014 was $229,029.

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 10-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, 2014, the County paid $40,476 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 16. JOINTLY GOVERNED ORGANIZATION

Land Bank Authority

During the year ended June 30, 2006, the County, along with the City of Griffin, entered into an interlocal 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 2014 was $59,000. The County has no further accountability for this organization.

NOTE 17. HOTEL/MOTEL LODGING TAX

During the year ended June 30, 2014, 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, 2014, the County collected $116,554 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2014 was used for the promotion of tourism.

NOTE 18. CHANGES IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City is required to change its accounting treatment of debt issuance costs. The new standard requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods.

Therefore, in conjunction with the implementation of Statement No. 65, the following restatements were required to the beginning net position of the Governmental Activities and Component Unit - Water Authority to properly recognize debt issuance costs as expenses in the periods in which they were incurred:

Governmental Activities:		
Net position, previously reported	$	100,786,675
Recognition of issuance costs incurred in prior periods		(69,446)
Beginning net position, restated	$	100,717,229
Component Unit - Water Authority:		
Net position, previously reported	$	21,810,104
Recognition of issuance costs incurred in prior periods		(152,938)
Beginning net position, restated	$	21,657,166

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
12/31/2013	$ 18,843,993	$ 24,855,458	$ 6,011,465	75.8 %	$ 15,053,439	39.9 %
12/31/2012	17,000,117	24,093,395	7,093,278	70.6	14,667,323	48.4
12/31/2011	17,135,272	23,524,438	6,389,166	72.8	14,843,152	43.0
12/31/2010	16,361,414	22,174,109	5,812,695	73.8	14,313,403	40.6
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

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

OTHER POST EMPLOYMENT BENEFIT 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
6/30/2012	$ -	$ 1,210,735	$ 1,210,735	0.0 %	$ 20,624,315	5.9 %
6/30/2011	-	1,380,439	1,380,439	0.0	20,968,273	6.6
6/30/2010	-	710,507	710,507	0.0	20,927,701	3.4
6/30/2009	-	653,967	653,967	0.0	18,536,060	3.5

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

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.

SPALDING COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Debt Service Funds

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.

2008 SPLOST Debt Service — To account for the accumulation of resources for the payment of debt principal and interest for the 2008 General Obligation Sales Tax Bonds.

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.

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

CDBG Highland Mills Sewer Grant — To account for revenues and expenditures applicable to the Community Development Block Grant (CDBG). Revenues were received from the federal government via passthrough from the State of Georgia and utilized to construct a lift station to the Springs Wastewater Treatment Plant and de-commission the Highland Mills Wastewater Treatment Plant.

2005 SPLOST — To account 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.

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue			
ASSETS	**Community Services Block Grant**	**Emergency 911**	**Confiscated Assets**	**Law Library**
Cash and cash equivalents	$ 1,104	$ 139,332	$ 303,493	$ 144,735
Investments	-	-	-	-
Accounts receivable	-	146,862	-	2,559
Due from other governments	35,214	-	-	-
Due from other funds	-	14,867	-	-
Total assets	$ 36,318	$ 301,061	$ 303,493	$ 147,294
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 30,191	$ 1,672	$ 5,666	$ 674
Accrued liabilities	-	45,548	-	-
Due to other funds	-	-	-	-
Total liabilities	30,191	47,220	5,666	674
FUND BALANCES				
Restricted for:				
Grant purposes	6,127	-	-	-
Judicial	-	-	-	146,620
Public safety	-	253,841	297,827	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
	6,127	253,841	297,827	146,620
Total liabilities and fund balances	$ 36,318	$ 301,061	$ 303,493	$ 147,294

				Debt Service		Capital Projects
Multiple Grant	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	Capital Projects General
$ -	$ 454,179	$ 180,937	$ 7,270	$ 517,449	$ -	$ 151,866
-	-	-	-	1,459,495	-	-
-	-	-	-	-	-	-
-	-	-	-	-	713,923	-
-	-	14,095	-	-	-	-
$ -	$ 454,179	$ 195,032	$ 7,270	$ 1,976,944	$ 713,923	$ 151,866
$ -	$ 17,493	$ -	$ -	$ -	$ -	$ 14,758
-	-	-	-	-	-	-
-	-	1,562	-	-	-	-
-	17,493	1,562	-	-	-	14,758
-	-	-	-	-	-	-
-	-	193,470	7,270	-	-	-
-	-	-	-	-	-	-
-	436,686	-	-	-	-	-
-	-	-	-	1,226,117	-	-
-	-	-	-	750,827	713,923	-
-	-	-	-	-	-	137,108
-	-	-	-	-	-	-
-	436,686	193,470	7,270	1,976,944	713,923	137,108
$ -	$ 454,179	$ 195,032	$ 7,270	$ 1,976,944	$ 713,923	$ 151,866

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	Capital Projects			Total
	Impact Fees	CDBG Highland Mills Sewer Grant	Capital Projects 2005 SPLOST	
Cash and cash equivalents	$ 1,246,407	$ 14	$ 500,002	$ 3,646,788
Investments	-	-	-	1,459,495
Accounts receivable	-	-	-	149,421
Due from other governments	-	-	-	749,137
Due from other funds	-	-	-	28,962
Total assets	$ 1,246,407	$ 14	$ 500,002	$ 6,033,803
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 70,454
Accrued liabilities	-	-	-	45,548
Due to other funds	-	-	-	1,562
Total liabilities	-	-	-	117,564
FUND BALANCES				
Restricted for:				
Grant purposes	-	-	-	6,127
Judicial	-	-	-	347,360
Public safety	-	-	-	551,668
Culture and recreation	-	-	-	436,686
Capital projects	1,246,407	-	500,002	2,972,526
Debt service	-	-	-	1,464,750
Assigned for:				
Capital projects	-	14	-	137,122
Unassigned	-	-	-	-
	1,246,407	14	500,002	5,916,239
Total liabilities and fund balances	$ 1,246,407	$ 14	$ 500,002	$ 6,033,803

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue			
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library
REVENUES				
Other taxes	$ -	$ -	$ -	$ -
Intergovernmental	75,883	-	-	-
Charges for services	-	1,074,335	-	-
Court fees, fines and forfeitures	-	-	213,846	29,148
Interest	-	-	131	148
Other	-	411	-	-
Total revenues	75,883	1,074,746	213,977	29,296
EXPENDITURES				
Current:				
General government	25,838	-	-	-
Judicial	17,847	-	-	32,917
Public safety	-	1,340,730	208,542	-
Health and welfare	69,391	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	113,076	1,340,730	208,542	32,917
Excess (deficiency) of revenues over (under) expenditures	(37,193)	(265,984)	5,435	(3,621)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	346,320	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	346,320	-	-
Net change in fund balances	(37,193)	80,336	5,435	(3,621)
FUND BALANCES (DEFICIT), beginning of year	43,320	173,505	292,392	150,241
FUND BALANCES, end of year	$ 6,127	$ 253,841	$ 297,827	$ 146,620

					Debt Service		Capital Projects
Multiple Grant	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	Capital Projects General
$ -	$ 116,554	$ -	$ -	$ -	$ 1,923,521	-
11,787	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	50,063	-	-	-	-
-	-	101	-	141,892	-	-
-	-	-	-	-	-	-
11,787	116,554	50,164	-	141,892	1,923,521	-
-	-	-	-	-	-	-
-	-	42,414	-	-	-	-
-	-	-	-	-	-	-
9,092	-	-	-	-	-	-
-	-	-	-	-	-	-
-	154,500	-	-	-	-	-
-	-	-	-	-	-	140,099
-	-	-	-	-	3,200,000	-
-	-	-	-	127,083	285,125	-
9,092	154,500	42,414	-	127,083	3,485,125	140,099
2,695	(37,946)	7,750	-	14,809	(1,561,604)	(140,099)
14,792	-	-	-	681,345	-	20,000
-	-	-	-	(365,298)	-	-
14,792	-	-	-	316,047	-	20,000
17,487	(37,946)	7,750	-	330,856	(1,561,604)	(120,099)
(17,487)	474,632	185,720	7,270	1,646,088	2,275,527	257,207
$ -	$ 436,686	$ 193,470	$ 7,270	$ 1,976,944	$ 713,923	137,108

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Capital Projects			
	Impact Fees	CDBG Highland Mills Sewer Grant	Capital Projects 2005 SPLOST	Total
REVENUES				
Other taxes	$ -	$ -	$ -	$ 2,040,075
Intergovernmental	-	28,175	-	115,845
Charges for services	189,594	-	-	1,263,929
Court fees, fines and forfeitures	-	-	-	293,057
Interest	-	-	-	142,272
Other	-	-	-	411
Total revenues	189,594	28,175	-	3,855,589
EXPENDITURES				
Current:				
General government	11,188	-	-	37,026
Judicial	-	-	-	93,178
Public safety	-	-	-	1,549,272
Health and welfare	-	-	-	78,483
Housing and development	-	-	-	154,500
Capital outlay	-	28,175	-	168,274
Debt service:				
Principal	168,072	-	-	3,368,072
Interest	30,252	-	-	442,460
Total expenditures	209,512	28,175	-	5,891,265
Excess (deficiency) of revenues over (under) expenditures	(19,918)	-	-	(2,035,676)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,062,457
Transfers out	-	-	-	(365,298)
Total other financing sources (uses)	-	-	-	697,159
Net change in fund balances	(19,918)	-	-	(1,338,517)
FUND BALANCES (DEFICIT), beginning of year	1,266,325	14	500,002	7,254,756
FUND BALANCES, end of year	$ 1,246,407	$ 14	$ 500,002	$ 5,916,239

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, 2014

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	120,000	75,883	(44,117)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	120,000	75,883	(44,117)
EXPENDITURES			
Current:			
General government	21,000	25,838	(4,838)
Judicial	25,629	17,847	7,782
Public safety	-	-	-
Health and welfare	73,371	69,391	3,980
Housing and development	-	-	-
Total expenditures	120,000	113,076	6,924
Excess (deficiency) of revenues over (under) expenditures	-	(37,193)	(37,193)
OTHER FINANCING USES			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	-	(37,193)	(37,193)
FUND BALANCES (DEFICIT), beginning of year	43,320	43,320	-
FUND BALANCES, end of year	$ 43,320	$ 6,127	$ (37,193)

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
1,035,154	1,074,335	39,181	-	-	-
-	-	-	375,000	213,846	(161,154)
-	-	-	-	131	131
-	411	411	-	-	-
1,035,154	1,074,746	39,592	375,000	213,977	(161,023)
-	-	-	-	-	-
-	-	-	-	-	-
1,389,201	1,340,730	48,471	375,000	208,542	166,458
-	-	-	-	-	-
-	-	-	-	-	-
1,389,201	1,340,730	48,471	375,000	208,542	166,458
(354,047)	(265,984)	88,063	-	5,435	5,435
346,320	346,320	-	-	-	-
-	-	-	-	-	-
346,320	346,320	-	-	-	-
(7,727)	80,336	88,063	-	5,435	5,435
173,505	173,505	-	292,392	292,392	-
$ 165,778	$ 253,841	$ 88,063	$ 292,392	$ 297,827	$ 5,435

(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, 2014

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	48,000	29,148	(18,852)
Interest	-	148	148
Other	-	-	-
Total revenues	48,000	29,296	(18,704)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	52,000	32,917	19,083
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	52,000	32,917	19,083
Excess (deficiency) of revenues over (under) expenditures	(4,000)	(3,621)	379
OTHER FINANCING USES			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(4,000)	(3,621)	379
FUND BALANCES (DEFICIT), beginning of year	150,241	150,241	-
FUND BALANCES (DEFICIT), end of year	$ 146,241	$ 146,620	$ 379

Multiple Grant			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 95,000	$ 116,554	$ 21,554
63,505	11,787	(51,718)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,505	11,787	(51,718)	95,000	116,554	21,554
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63,505	9,092	54,413	-	-	-
-	-	-	95,000	154,500	(59,500)
63,505	9,092	54,413	95,000	154,500	(59,500)
-	2,695	2,695	-	(37,946)	(37,946)
-	14,792	14,792	-	-	-
-	-	-	-	-	-
-	14,792	14,792	-	-	-
-	17,487	17,487	-	(37,946)	(37,946)
(17,487)	(17,487)	-	474,632	474,632	-
$ (17,487)	$ -	$ 17,487	$ 474,632	$ 436,686	$ (37,946)

(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, 2014

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	60,000	50,063	(9,937)
Interest	-	101	101
Other	-	-	-
Total revenues	60,000	50,164	(9,836)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	80,000	42,414	37,586
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	80,000	42,414	37,586
Excess (deficiency) of revenues over (under) expenditures	(20,000)	7,750	27,750
Net change in fund balances	(20,000)	7,750	27,750
FUND BALANCES (DEFICIT), beginning of year	185,720	185,720	-
FUND BALANCES, end of year	$ 165,720	$ 193,470	$ 27,750

Griffin Judicial Circuit Drug Court		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
7,270	7,270	-
$ 7,270	$ 7,270	$ -

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, 2014

	2008 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ 3,485,125	$ 1,923,521	$ (1,561,604)
Interest	-	-	-
Total revenues	3,485,125	1,923,521	(1,561,604)
EXPENDITURES			
Debt service:			
Principal	3,200,000	3,200,000	-
Interest	285,125	285,125	-
Total expenditures	3,485,125	3,485,125	-
Excess (deficiency) of revenues over (under) expenditures	-	(1,561,604)	(1,561,604)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	(1,561,604)	(1,561,604)
FUND BALANCES, beginning of year	2,275,527	2,275,527	-
FUND BALANCES, end of year	$ 2,275,527	$ 713,923	$ (1,561,604)

GMA Lease Pool		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
150,000	141,892	(8,108)
150,000	141,892	(8,108)
-	-	-
128,750	127,083	1,667
128,750	127,083	1,667
21,250	14,809	(6,441)
681,345	681,345	-
(702,595)	(365,298)	337,297
(21,250)	316,047	337,297
-	330,856	330,856
1,646,088	1,646,088	-
$ 1,646,088	$ 1,976,944	$ 330,856

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, 2014

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Intergovernmental	-	-	-
Capital outlay	255,324	140,099	115,225
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	255,324	140,099	115,225
Excess (deficiency) of revenues over (under) expenditures	(255,324)	(140,099)	115,225
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	20,000	-
Transfers out	-	-	-
Total other financing sources (uses)	20,000	20,000	-
Net change in fund balances	(235,324)	(120,099)	115,225
FUND BALANCES, beginning of year	257,207	257,207	-
FUND BALANCES, end of year	$ 21,883	$ 137,108	$ 115,225

Impact Fees			Capital Projects 2008 SPLOST		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 4,200,000	$ 6,990,766	$ 2,790,766
-	-	-	-	-	-
128,150	189,594	61,444	-	-	-
-	-	-	-	432	432
128,150	189,594	61,444	4,200,000	6,991,198	2,791,198
74,800	11,188	63,612	1,500	600	900
-	-	-	4,456,000	2,278,890	2,177,110
1,100,640	-	1,100,640	14,920,000	2,562,920	12,357,080
162,000	168,072	(6,072)	-	-	-
38,000	30,252	7,748	1,000	1,149	(149)
1,375,440	209,512	1,165,928	19,378,500	4,843,559	14,534,941
(1,247,290)	(19,918)	1,227,372	(15,178,500)	2,147,639	17,326,139
-	-	-	-	-	-
-	-	-	-	(208,838)	(208,838)
-	-	-	-	(208,838)	(208,838)
(1,247,290)	(19,918)	1,227,372	(15,178,500)	1,938,801	17,117,301
1,266,325	1,266,325	-	15,185,733	15,185,733	-
$ 19,035	$ 1,246,407	$ 1,227,372	$ 7,233	$ 17,124,534	$ 17,117,301

(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, 2014

	Capital Projects 2005 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	-	-	-
Intergovernmental	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	500,002	500,002	-
FUND BALANCES, end of year	$ 500,002	$ 500,002	$ -

CDBG Highland Mills		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
250,000	28,175	(221,825)
-	-	-
-	-	-
250,000	28,175	(221,825)
-	-	-
-	-	-
250,000	28,175	221,825
-	-	-
-	-	-
250,000	28,175	221,825
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
14	14	-
$ 14	$ 14	$ -

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2005 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
800 MHz radio communication system	$ 10,072,000	$ 10,072,000	$ 10,790,763	$ -	$ 10,790,763
University of Georgia Learning Center	10,000,000	10,723,000	10,723,000	-	10,723,000
Parks and recreation facilities	600,000	600,000	3,767,696	-	3,767,696
	$ 20,672,000	$ 21,395,000	$ 25,281,459	$ -	$ 25,281,459

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Acquisition, construction and development of property for the Griffin-Spalding Development Authority	$ 21,250,000	$ 21,250,000	$ 15,330,105	$ 29,011	$ 15,359,116
Acquisition, construction, improvements and additions to Griffin Technical College	7,000,000	7,000,000	-	-	-
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	375	27,090	27,465
Roads, streets, bridges and transportation improvements and equipment	8,274,197	8,274,197	519,069	2,508,568	3,027,637
City of Griffin	10,924,198	10,924,198	7,576,953	2,140,712	9,717,665
City of Orchard Hill	475,605	475,605	220,760	117,134	337,894
City of Sunny Side	100,000	100,000	24,109	21,044	45,153
Bond interest expense	3,326,000	3,326,000	2,608,102	285,125	2,893,227
	$ 54,000,000	$ 54,000,000	$ 26,405,623	$ 5,128,684	$ 31,534,307

Total expenditures:	
Capital Projects 2008 SPLOST Fund	$ 4,843,559
2008 SPLOST Debt Service Fund	3,485,125
Repayment of principal on debt. Proceeds included in projects above.	(3,200,000)
Total 2008 SPLOST expenditures	$ 5,128,684

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, 2014

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court
ASSETS				
Cash	$ 198,968	$ 67,137	$ 13,060	$ 294,850
Taxes receivable	3,917,224	-	-	-
Accounts receivable	23,392	-	-	-
Total assets	$ 4,139,584	$ 67,137	$ 13,060	$ 294,850
LIABILITIES				
Due to others	$ 4,139,584	$ 67,137	$ 13,060	$ 294,850

Correctional Institution	Sheriff	Total
$ 15,102	$ 340,889	$ 930,006
-	-	3,917,224
-	-	23,392
$ 15,102	$ 340,889	$ 4,870,622
$ 15,102	$ 340,889	$ 4,870,622

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Tax Commissioner				
ASSETS				
Cash	$ 144,954	$ 58,393,525	$ 58,339,511	$ 198,968
Taxes receivable	3,664,096	3,917,224	3,664,096	3,917,224
Accounts receivable	24,246	-	854	23,392
Total assets	$ 3,833,296	$ 62,310,749	$ 62,004,461	$ 4,139,584
LIABILITIES				
Due to others	$ 3,833,296	$ 62,310,749	$ 62,004,461	$ 4,139,584
Magistrate Court				
ASSETS				
Cash	$ 45,675	$ 862,200	$ 840,738	$ 67,137
LIABILITIES				
Due to others	$ 45,675	$ 862,200	$ 840,738	$ 67,137
Probate Court				
ASSETS				
Cash	$ 9,710	$ 209,452	$ 206,102	$ 13,060
LIABILITIES				
Due to others	$ 9,710	$ 209,452	$ 206,102	$ 13,060
Clerk of Superior Court				
ASSETS				
Cash	$ 235,344	$ 2,882,255	$ 2,822,749	$ 294,850
LIABILITIES				
Due to others	$ 235,344	$ 2,882,255	$ 2,822,749	$ 294,850

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Correctional Institution				
ASSETS				
Cash	$ 32,648	$ 270,163	$ 287,709	$ 15,102
LIABILITIES				
Due to others	$ 32,648	$ 270,163	$ 287,709	$ 15,102
Sheriff				
ASSETS				
Cash	$ 309,739	$ 479,219	$ 448,069	$ 340,889
LIABILITIES				
Due to others	$ 309,739	$ 479,219	$ 448,069	$ 340,889
Total Agency Funds				
ASSETS				
Cash	$ 778,070	$ 63,096,814	$ 62,944,878	$ 930,006
Taxes receivable	3,664,096	3,917,224	3,664,096	3,917,224
Accounts receivable	24,246	-	854	23,392
Total assets	$ 4,466,412	$ 67,014,038	$ 66,609,828	$ 4,870,622
LIABILITIES				
Due to others	$ 4,466,412	$ 67,014,038	$ 66,609,828	$ 4,870,622

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
COMPONENT UNIT - WATER AUTHORITY
JUNE 30, 2014

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 8,811,958
Accounts receivable	699,083
Due from primary government	124,422
Total current assets	9,635,463
NONCURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	44,635
Capital assets, depreciable, net of accumulated depreciation	24,520,454
Total capital assets	24,565,089
Total noncurrent assets	24,565,089
Total assets	34,200,552
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	6,833
Accrued liabilities	9,908
Current portion of compensated absences payable	9,408
Current portion of bonds payable from restricted assets	140,000
Accrued interest	215,733
Total current liabilities	381,882
NONCURRENT LIABILITIES	
Compensated absences payable, net of current portion	6,272
Bonds payable, net of current portion	11,180,449
Total noncurrent liabilities	11,186,721
Total liabilities	11,568,603
NET POSITION	
Net investment in capital assets	13,244,642
Unrestricted	9,387,307
Total net position	$ 22,631,949

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

OPERATING REVENUES	
Charges for services	$ 8,021,289
Total operating revenues	8,021,289
OPERATING EXPENSES	
Personal services and employee benefits	230,232
Contracted services	5,222,801
Material and supplies	169,543
Other operating expenses	62,912
Depreciation	683,994
Amortization	40,000
Total operating expenses	6,409,482
Operating income	1,611,807
NON-OPERATING INCOME (EXPENSES)	
Interest income	21
Interest expense	(665,220)
Total non-operating income (expenses)	(665,199)
Income before contributions	946,608
CAPITAL CONTRIBUTIONS	28,175
Change in net position	974,783
NET POSITION, beginning of year, as restated	21,657,166
NET POSITION, end of year	$ 22,631,949

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	7,932,952
Payments to employees		(224,040)
Payments to suppliers for goods and services provided		(5,591,161)
Net cash provided by operating activities		2,117,751
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		(52,486)
Principal payments on long-term borrowings		(1,020,000)
Interest payments on long-term borrowings		(670,885)
Net cash used in capital and related financing activities		(1,743,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		21
Net cash provided by investing activities		21
Net increase in cash and cash equivalents		374,401
Cash and cash equivalents, beginning of year		8,437,557
Cash and cash equivalents, end of year	$	8,811,958
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	1,611,807
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		683,994
Amortization		40,000
Loss on asset disposal		-
Increase in accounts receivable		(88,337)
Increase in accrued liabilities		6,192
Decrease in accounts payable		(135,905)
Net cash provided by operating activities	$	2,117,751
Noncash investing, capital, and financing activities:		
Contributions of capital assets from primary government	$	28,175

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..... **93 – 100**

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 ..... **101 – 106**

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

Debt Capacity ..... **107 – 109**

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 ..... **110 and 111**

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 ..... **112 – 114**

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year				
	2005	2006	2007	2008	2009
Primary government:					
Governmental activities:					
Investment in capital assets	$ 35,643,160	$ 39,672,516	$ 76,031,982 (2)	$ 84,301,495	$ 86,170,339
Restricted	358,988	13,823,578 (1)	16,904,691	21,043,484	19,227,417
Unrestricted	13,897,397	1,324,148	1,486,098	1,083,258	(11,532,360)
Total primary government net position	$ 49,899,545	$ 54,820,242	$ 94,422,771	$ 106,428,237	$ 93,865,396

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

(2) Investment in capital assets increased in fiscal year 2007 due to the retroactive implementation for GASB 34.

2010	2011	2012	2013	2014
$ 85,388,780	$ 82,982,348	$ 82,563,218	$ 85,013,668	$ 84,742,325
21,882,136	20,114,417	23,034,482	22,485,176	22,961,705
(11,601,739)	(9,704,012)	(7,948,212)	(6,712,169)	(2,321,893)
$ 95,669,177	$ 93,392,753	$ 97,649,488	$ 100,786,675	$ 105,382,137

SPALDING COUNTY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General government	$ 6,033,059	$ 4,873,556	$ 5,333,341	$ 5,608,517	$ 5,608,517
Judicial	4,595,301	4,916,979	5,002,948	5,482,736	5,482,736
Public safety	21,286,267	24,049,681	25,519,501	26,428,329	26,428,329
Public works	6,409,403	4,292,007	6,137,324	5,762,303	5,762,303
Health and welfare	872,040	632,146	872,270	1,117,554	1,117,554
Culture and recreation	-	2,734,673 (2)	2,942,031	3,006,773	3,006,773
Housing and development	95,440 (1)	1,234,684	1,958,546	2,953,544 (4)	2,953,544 (4)
Interest on long-term debt	600,586	770,271	911,715	841,040	841,040
Total primary government expenses	$ 39,892,096	$ 43,503,997	$ 48,677,676	$ 51,200,796	$ 51,200,796
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 2,092,558	$ 2,144,069	$ 2,035,121	$ 2,095,676	$ 2,138,686
Judicial	3,225,109	2,638,519	2,501,320	2,494,816	2,273,881
Public safety	4,886,587	5,761,881	5,360,736	5,238,813	4,835,871
Other activities	370,255	578,722	964,648	973,826	874,976
Operating grants and contributions	1,453,774	1,833,205	2,091,802	2,669,648	1,332,716
Capital grants and contributions	1,570,046	3,370,546	2,780,011	7,288,834 (5)	1,090,102
Total primary government program revenues	$ 13,598,329	$ 16,326,942	$ 15,733,638	$ 20,761,613	$ 12,546,232
Net (expense)/revenue					
Total primary government net expense	$ (26,293,767)	$ (27,177,055)	$ (32,944,038)	$ (30,439,183)	$ (38,654,564)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 18,689,976	$ 19,157,931	$ 20,055,001	$ 21,553,608	$ 22,220,678
Alcoholic beverage taxes	311,604	306,174	313,605	315,042	352,417
Vehicle taxes	1,652,480	1,653,825	1,734,970	1,828,660	1,759,125
Sales taxes	5,063,079	7,492,884	14,836,157 (3)	14,890,517	13,000,013
Intangible taxes	502,881	551,615	466,888	378,856	230,473
Insurance premium taxes	1,426,951	1,523,808	1,596,904	1,679,166	1,720,094
Hotel/motel taxes	99,229	109,543	118,899	110,198	99,947
Other taxes	497,818	481,477	530,756	554,588	501,048
Unrestricted investment earnings	574,106	820,495	1,774,030	1,134,014	391,847
Total primary government	$ 28,818,124	$ 32,097,752	$ 41,427,210	$ 42,444,649	$ 40,275,642
Change in Net Position					
Total primary government	$ 2,524,357	$ 4,920,697	$ 8,483,172	$ 12,005,466	$ 1,621,078

(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.

2010	2011	2012	2013	2014
$ 7,107,940	$ 7,417,820	$ 7,236,133	$ 7,179,178	$ 7,034,101
4,528,384	4,617,323	5,088,552	4,858,593	4,794,545
26,524,500	28,442,241	28,124,718	27,907,077	27,191,157
5,398,943	5,374,364	4,339,173	4,423,522	7,115,261
1,095,175	934,364	620,797	615,933	569,205
2,643,500	2,677,153	2,848,613	2,586,924	2,394,204
4,522,298	6,118,772	996,194	793,346	825,926
1,145,336	1,085,318	909,418	749,441	561,341
$ 52,966,076	$ 56,667,355	$ 50,163,598	$ 49,114,014	$ 50,485,740
$ 1,983,902	$ 1,956,814	$ 2,203,046	$ 1,813,058	$ 1,787,846
1,912,642	1,890,553	1,866,206	1,685,596	1,627,286
5,968,936	5,656,679	5,641,026	5,300,243	5,225,633
424,059	353,893	441,843	380,215	427,564
1,601,575	1,954,506	1,065,062	1,480,378	1,762,818
829,112	761,524	194,477	275,942	37,160
$ 12,720,226	$ 12,573,969	$ 11,411,660	$ 10,935,432	$ 10,868,307
$ (40,245,850)	$ (44,093,386)	$ (38,751,938)	$ (38,178,582)	$ (39,617,433)
$ 23,667,798	$ 24,304,835	$ 23,803,917	$ 23,156,753	$ 24,660,616
330,645	342,638	332,017	333,786	330,240
1,670,521	1,758,346	1,855,547	2,119,129	2,609,866
13,657,070	12,772,683	14,367,296	12,821,902	13,830,494
193,729	197,775	199,474	280,425	196,240
1,695,431	1,648,929	1,676,704	1,791,251	1,861,717
89,395	96,106	96,737	110,037	116,554
508,020	498,342	514,422	539,489	528,494
229,070	197,308	162,559	162,997	148,120
$ 42,041,679	$ 41,816,962	$ 43,008,673	$ 41,315,769	$ 44,282,341
$ 1,795,829	$ (2,276,424)	$ 4,256,735	$ 3,137,187	$ 4,664,908

SPALDING COUNTY, GEORGIA

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund					
Reserved	$ 2,305,434	$ 1,488,223	$ 368,372	$ 854,839	$ 391,364
Unreserved	8,788,002	9,781,428	7,441,021	5,760,262	3,736,485
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	11,093,436	11,269,651	7,809,393	6,615,101	4,127,849
All Other Governmental Funds					
Reserved, reported in					
Special revenue funds	349,275	983,692	2,837,624 (2)	817,703	1,017,770
Debt service funds	-	-	-	-	-
Capital projects funds	4,111,629	14,489,816 (1)	17,907,036	21,956,132	17,549,649
Unreserved, reported in					
Special revenue funds	2,506,862	2,389,895	87,568	2,279,816	2,131,909
Debt service funds	-	-	980,585 (2)	1,645,495	2,488,738
Capital projects funds	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	6,967,766	17,863,403	21,812,813	26,699,146	23,188,066
Total Governmental Funds					
Reserved	6,766,338	16,961,731	21,113,032	23,628,674	18,958,783
Unreserved	8,788,002	9,781,428	8,509,174	9,685,573	8,357,132
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Governmental Funds	$ 15,554,340	$ 26,743,159	$ 29,622,206	$ 33,314,247	$ 27,315,915

(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.

(4) First year of implementation of GASB Statement No. 54.

2010	2011 (4)	2012	2013	2014
$ 193,337	$ -	$ -	$ -	$ -
4,310,343	-	-	-	-
-	2,622,751	1,625,609	1,428,381	1,524,540
-	899,412	1,289,814	396,132	1,138,875
4,503,680	-	2,915,423	1,824,513	2,663,415
119,813	-	-	-	-
-	-	-	-	-
- (3)	-	-	-	-
2,382,741	-	-	-	-
5,133,237	-	-	-	-
15,937,937 (3)	-	-	-	-
-	21,353,846	24,058,981	23,348,779	24,150,690
-	304,984	325,324	257,207	137,122
-	(21,258)	(105,694)	(17,473)	-
23,573,728	21,637,572	24,278,611	23,588,513	24,287,812
313,150	-	-	-	-
27,764,258	-	-	-	-
-	21,353,846	24,058,981	23,348,779	24,150,690
-	2,927,735	1,950,933	1,685,588	1,661,662
-	878,154	1,184,120	378,659	1,138,875
$ 28,077,408	$ 25,159,735	$ 27,194,034	$ 25,413,026	$ 26,951,227

SPALDING COUNTY, GEORGIA

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

	2005	2006	2007	2008	2009
REVENUES					
Taxes	$ 28,153,082	$ 31,391,376	$ 39,588,769	$ 41,016,163	$ 39,081,402
Licenses and permits	559,101	643,804	494,594	506,669	257,521
Intergovernmental	1,707,719	2,841,753	2,572,835	2,828,096	2,386,769
Court fees, fines and forfeitures	2,962,156	2,470,363	2,459,784	2,340,361	1,989,226
Charges for services	6,032,755	6,715,987	6,553,279	6,559,966	6,161,406
Interest	544,632	818,728	1,749,835	1,110,755	370,041
Contributions and donations	275	34,036	45,438	49,377	35,570
Rentals	366,814	384,657	330,726	348,312	264,703
Other	701,773	880,230	1,023,563	1,059,998	1,451,037
Total Revenues	41,028,307	46,180,934	54,818,823	55,819,697	51,997,675
EXPENDITURES					
General government	5,911,652	4,356,176	5,327,181	4,404,695	5,552,819
Judicial	4,553,368	5,084,271	5,022,688	5,463,165	4,565,696
Public safety	20,731,697	23,379,707	24,570,875	25,399,762	24,802,278
Public works	5,745,436	3,765,135	5,495,926	4,139,302	5,182,092
Health and welfare	1,027,402	630,612	865,089	1,107,197	900,790
Culture and recreation	-	2,663,822 (2)	2,799,932	2,747,082	2,529,675
Housing and development	95,440 (1)	1,225,100	1,846,593	1,337,687	1,228,864
Intergovernmental	-	-	-	-	951,526
Capital outlay	1,004,766	2,553,455	3,396,770	4,693,677	24,171,588
Debt service					
Principal	1,272,034	997,681	4,053,946 (3)	4,408,523 (3)	4,292,719
Interest	651,936	551,625	950,671	816,256	680,715
Issuance costs	-	192,837	-	-	257,993
Total Expenditures	40,993,731	45,400,421	54,329,671	54,517,346	75,116,755
Excess of Revenues					
Over (Under) Expenditures	34,576	780,513	489,152	1,302,351	(23,119,080)
OTHER FINANCING SOURCES (USES)					
Transfers in	716,249	722,368	4,604,763	2,927,705	1,788,199
Transfers out	(715,837)	(721,278)	(4,604,763)	(2,927,705)	(1,788,199)
Issuance of general obligation bonds	-	10,250,000	-	-	15,500,000
Premium on bond issue	-	40,249	-	-	120,748
Capital leases	-	-	-	2,389,690	1,500,000
Issuance of certificates of participation	750,000	-	-	-	-
Total Other Financing Sources (Uses)	750,412	10,291,339	-	2,389,690	17,120,748
Net Change in Fund Balances	$ 784,988	$ 11,071,852	$ 489,152	$ 3,692,041	$ (5,998,332)
Debt Service as a Percentage					
of Noncapital Expenditures	4.96%	4.18%	10.07%	10.10%	7.90%

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

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

2010	2011	2012	2013	2014
$ 41,747,867	$ 41,596,206	$ 43,300,961	$ 40,600,157	$ 44,079,395
284,908	189,650	213,767	192,893	227,586
2,032,718	2,327,053	1,230,452	1,712,109	1,784,111
1,931,150	1,844,690	1,693,715	1,640,502	1,455,478
6,464,925	6,108,848	6,331,877	5,997,745	5,996,839
180,614	165,806	160,259	151,839	151,156
70,532	94,960	8,645	42,094	6,580
208,565	212,040	197,315	177,095	172,800
1,401,023	1,578,244	1,735,452	1,172,539	1,215,928
54,322,302	54,117,497	54,872,443	51,686,973	55,089,873
5,596,919	4,950,206	5,282,991	4,870,294	4,406,367
4,497,537	4,594,667	4,534,222	4,231,806	4,331,535
25,556,186	27,085,509	27,581,114	26,894,567	27,261,190
4,025,335	3,901,205	3,697,648	3,492,002	3,874,610
1,084,818	924,007	620,797	614,442	570,127
2,407,369	2,488,999	2,761,468	2,417,196	2,265,625
864,002	847,846	795,127	779,043	882,691
1,591,440	2,037,115	1,481,675	1,760,066	2,278,890
5,990,744	5,344,462	1,255,926	3,591,788	2,954,068
809,430	3,747,348	3,891,216	4,036,121	4,081,346
1,137,029	1,113,806	935,960	780,656	645,223
-	-	-	-	-
53,560,809	57,035,170	52,838,144	53,467,981	53,551,672
761,493	(2,917,673)	2,034,299	(1,781,008)	1,538,201
1,358,499	812,285	1,535,051	1,309,771	1,636,593
(1,358,499)	(812,285)	(1,535,051)	(1,309,771)	(1,636,593)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 761,493	$ (2,917,673)	$ 2,034,299	$ (1,781,008)	$ 1,538,201
3.87%	8.63%	9.57%	9.89%	9.12%

SPALDING COUNTY, GEORGIA

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

Fiscal Year	Assessed Value				Total Taxable Assessed Value
	Real and Personal Property	Motor Vehicle and Mobile Home	Timber	Less: Tax Exempt Property	
2005	1,347,653,513	129,077,465	294,034	170,956,221	1,306,068,791
2006	1,421,223,621	123,939,730	843,117	206,994,244	1,339,012,224
2007	1,451,860,481	118,468,421	813,637	183,587,634	1,387,554,905
2008	1,535,854,597	127,951,469	674,496	219,171,547	1,445,309,015
2009	1,564,104,831	130,690,963	538,170	213,179,506	1,482,154,458
2010	1,565,885,934	135,919,364	550,284	218,058,229	1,484,297,353
2011	1,561,951,450	117,213,357	358,789	188,380,545	1,491,143,051
2012	1,542,214,895	115,540,343	310,999	220,133,898	1,437,932,339
2013	1,496,524,055	121,069,324	650,043	220,097,899	1,398,145,523
2014	1,479,706,924	125,820,159	309,703	220,190,953	1,385,645,833

SOURCE:

Spalding County Board of Equalization and Assessment

NOTES:

Spalding County completed a county-wide tax assessment revaluation during 2013. The County assesses commercial, residential and real property at approimately 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 Direct Tax Rate	Total Taxable Property: Estimated Actual Value	Assessed Value as a Percentage of Actual Value
13.46	3,265,171,978	40%
13.41	3,347,530,560	40%
13.39	3,468,887,263	40%
13.89	3,613,272,538	40%
13.88	3,705,386,145	40%
14.88	3,710,743,383	40%
14.81	3,727,857,628	40%
15.01	3,594,830,848	40%
15.01	3,495,363,808	40%
16.01	3,464,114,583	40%

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,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Spalding County direct rates:										
Unincorporated maintenance and operations	17.14	17.13	17.12	17.84	17.66	18.50	18.18	18.50	18.73	19.70
Sales tax reduction	(3.68)	(3.72)	(3.73)	(3.95)	(3.78)	(3.62)	(3.37)	(3.49)	(3.72)	(3.69)
Total direct rate	13.46	13.41	13.39	13.89	13.88	14.88	14.81	15.01	15.01	16.01
Municipal rates:										
City of Griffin:										
Maintenance and operations	8.65	8.63	8.63	8.60	8.64	8.64	8.64	8.64	8.64	8.64
City of Orchard Hill maintenance and operations	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.00	6.31
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.36	4.29	4.29	4.08	5.00
Fire protection (1)	4.76	4.81	4.81	4.83	4.82	5.04	5.98	5.92	6.00	6.10
Insurance premium rollback (1)	(1.69)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.75)	(1.83)	(1.93)
Board of Education	18.90	18.85	18.82	18.81	18.80	18.80	18.80	19.06	19.47	19.47
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.15
Total Unincorporated Spalding County	35.68	35.56	35.51	35.99	35.96	37.16	38.03	38.49	38.90	39.80
Total Municipalities:										
City of Griffin	41.26	41.14	41.09	41.55	41.57	42.57	42.50	42.96	43.37	44.24
City of Orchard Hill	37.60	37.46	37.41	37.90	37.88	38.88	38.81	39.27	39.73	41.94
City of Sunny Side	36.97	36.87	36.82	37.31	37.29	38.29	38.15	38.61	38.81	40.63

SOURCE:

Spalding County Tax Commissioner's Office

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

SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		Fiscal Year 2014		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Caterpillar, Inc.	Power generation systems	$ 84,207,264	1	6.08%
Tenet/Spalding Regional Hospital	Hospital/Healthcare	42,397,764	2	3.06%
Pulte Home Corporation	Residential development	24,580,618	3	1.77%
Wal-Mart Stores, Inc.	Retail	22,215,417	4	1.60%
A E P Industries	Packaging film manufacturing	32,026,609	5	2.31%
Central Georgia EMC	Public utility	17,559,492	6	1.27%
Hoshizaki	Commercial ice machines	32,030,841	7	2.31%
Norfolk Southern Corporation	Public utility	14,354,371	8	1.04%
BellSouth Telecommunications	Public utility	16,763,792	9	1.21%
Bridgestone Bandag LLC	Heavy duty tire manufacturing	24,991,707	10	1.80%
NACOM	Automotive components	-	-	-
Springs Industries	Textile manufacturing	-	-	-
Cooper-Standard Products	Automotive components	-	-	-
Halpern Enterprises	Commercial real estate	-	-	-
Weyerhauser Company	Cardboard manufacturing	-	-	-
Total		$ 311,127,875		22.45%

SOURCE:
Spalding County Tax Commissioner's Office.

Fiscal Year 2005			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
$	52,186,046	2	4.00%
	10,656,112	4	0.82%
	-		-
	8,885,181	6	0.68%
	10,342,982	8	0.79%
	-		-
	-		-
	-		-
	-		-
	8,466,764	9	0.65%
	44,681,324	1	3.42%
	32,906,900	3	2.52%
	10,323,238	5	0.79%
	7,073,522	7	0.54%
	8,170,640	10	0.63%
$	193,692,709		14.83%

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
2005	$ 17,579,687	$ 16,979,276	96.58%	$ 586,769	$ 17,566,045	99.92%
2006	17,956,154	17,405,961	96.94%	525,920	17,931,881	99.86%
2007	18,579,360	18,130,563	97.58%	388,186	18,518,749	99.67%
2008	18,283,956	17,391,752	95.12%	785,577	18,177,329	99.42%
2009	18,746,679	17,690,387	94.37%	868,562	18,558,949	99.00%
2010	20,053,526	18,706,433	93.28%	864,782	19,571,215	97.59%
2011	22,083,828	20,155,597	91.27%	770,739	20,926,336	94.76%
2012	21,583,364	20,165,501	93.43%	-	20,165,501	93.43%
2013	20,986,164	19,551,976	93.17%	-	19,551,976	93.17%
2014	22,504,182	21,422,273	95.19%	-	21,422,273	95.19%

SOURCE:

Spalding County Tax Commissioner's Office

SPALDING COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	General Bonded Debt			Other Governmental Activities Debt		Total Primary Government Outstanding Governmental Debt		
Fiscal Year	General Obligation Bonds (1)	Percentage of Actual Value of Property (2)	Bonded Debt Per Capita (3)	Certificates of Participation	Capital Lease Obligations	Total Debt	Percentage of Personal Income (3)	Total Debt Per Capita (3)
2005	$ -	$ -	$ -	$ 8,050,000	$ 2,936,740	$ 10,986,740	0.67%	181
2006	10,250,000	0.31%	167	7,789,209	2,199,850	20,239,059	1.18%	330
2007	7,059,361	0.20%	114	7,511,156	1,638,957	16,209,474	0.91%	261
2008	3,591,651	0.10%	57	7,220,170	3,004,706	13,816,527	0.77%	220
2009	15,610,958	0.42%	244	6,910,956	4,101,201	26,623,115	1.52%	417
2010	15,591,377	0.42%	241	6,583,362	3,619,365	25,794,104	1.47%	399
2011	12,671,796	0.34%	198	6,237,305	3,118,074	22,027,175	1.19%	344
2012	9,652,215	0.27%	151	5,867,627	2,596,536	18,116,378	0.95%	283
2013	6,532,634	0.19%	102	5,474,116	2,053,926	14,060,676	0.75%	220
2014	3,313,053	0.10%	52	5,061,581	1,585,115	9,959,749	N/A	156

NOTE:

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

(1) Presented net of original issuance discounts and premiums.

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

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

SPALDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,			
	2005	2006	2007	2008
Debt limit	$ 147,702,501	$ 154,600,647	$ 157,114,254	$ 166,448,056
Total net debt applicable to limit	-	10,250,000	7,035,000	3,580,000
Legal debt margin	$ 147,702,501	$ 144,350,647	$ 150,079,254	$ 162,868,056
Total net debt applicable to the limit as a percentage of debt limit	0.00%	6.63%	4.69%	2.20%

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.

2009	2010	2011	2012	2013	2014
$ 169,533,396	$ 170,235,558	$ 167,952,360	$ 165,806,624	$ 160,438,300	$ 160,583,679
15,500,000	15,500,000	12,600,000	9,600,000	6,500,000	3,300,000
$ 154,033,396	$ 154,735,558	$ 155,352,360	$ 156,206,624	$ 153,938,300	$ 157,283,679
10.06%	10.02%	8.11%	6.15%	4.22%	2.10%

Legal Debt margin Calculation for Fiscal Year 2014

Assessed value	$ 1,605,836,786
Debt limit (10% of assessed value)	160,583,679
Debt applicable to limit:	
General obligation bonds	3,300,000
Total net debt applicable to limit	3,300,000
Legal debt margin	$ 157,283,679

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)
2005	60,745	1,633,520	26,696	10,813	8.00%
2006	61,289 (4)	1,714,942	27,623	10,833	6.70%
2007	62,185	1,786,808	28,454	10,967	6.00%
2008	62,826	1,794,214	28,140	10,953	8.70%
2009	63,913	1,757,198	27,249	10,823	16.20%
2010	64,708	1,760,360	27,417	10,860	12.30%
2011	64,073	1,852,834	28,902	10,685	13.00%
2012	64,033	1,897,560	28,767	10,614	11.50%
2013	63,865	1,870,694	29,308	10,582	11.10%
2014	63,829	N/A	N/A	10,626	9.20%

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 EIGHT YEARS AGO

		Fiscal Year 2014			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	1,419	1	4.67 %	1,650	1	5.18 %
Spalding Regional Medical Center	Healthcare	900	2	2.96	-	-	-
Caterpillar, Inc.	Automotive generators	900	3	2.96	900	2	2.83
Spalding County	Government	541	4	1.78	469	6	1.47
City of Griffin	Government	490	5	1.61	480	5	1.51
University of Georgia Griffin Campus	Agricultural research education	405	8	1.33	250	9	0.78
1888 Mills/Southern Terry	Terry cloth towels	375	6	1.23	350	8	1.10
Southern Crescent Technical College	Education	360	7	1.19	365	7	1.15
Norcom	School supplies	280	9	0.92	-	-	-
AEP Industries, Inc.	Packaging film	250	10	0.82	240	10	0.75
NACOM Corporation	Automotive electronics	-	-	-	850	3	2.67
Springs Industries	Finished cotton goods	-	-	-	850	4	2.67
Totals		5,920		19.49 %	6,404		20.10 %

SOURCE:

Griffin-Spalding County Development Authority

Note:

Information on the principal employers was not readily available for fiscal year 2005.

SPALDING COUNTY, GEORGIA

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	137	139	144	147	148	147	147	150	147	141
Public Safety										
Sheriff										
Officers	57	62	70	70	67	84	83	85	76	76
Civilians	32	33	35	35	35	37	35	40	38	35
Corrections	75	76	81	80	79	71	71	70	79	79
Correctional Institution										
Officers	69	70	76	77	77	78	78	78	77	77
Civilians	7	7	6	6	7	7	7	7	6	6
Fire										
Firefighters	62	65	68	68	68	80	78	82	81	81
Civilians	2	2	2	2	2	2	2	2	1	1
Public Works										
Streets and Highways	27	27	31	30	30	30	30	30	30	30
Solid Waste	17	17	17	17	17	17	17	17	10	10
Culture and Recreation	36	36	36	40	42	38	37	38	36	34
Total	521	534	566	572	572	591	585	599	581	570

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 TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Sheriff:										
Physical arrests	4,761	5,002	2,705	3,412	3,066	3,154	2,831	2,477	1,124	1,019
Traffic violations	1,971	2,188	2,158	2,160	1,625	1,114	1,269	1,397	1,528	1,125
Fire District:										
Calls answered	1,517	1,613	1,624	1,524	1,379	1,374	1,710	1,619	1,734	1,747
Inspections	176	197	235	277	234	448	394	311	267	390
Public Works										
Street resurfacing (miles)	11	21	15	-	18	10	3	7	6	27

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.

SPALDING COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Sheriff:										
Detention facilities	1	2	2	2	2	2	2	2	2	2
Patrol units	33	36	37	40	42	43	45	45	53	40
Fire District:										
Fire stations	6	6	6	6	6	7	7	7	7	7
Fire trucks	12	10	10	13	12	13	11	9	11	9
Public Works										
Roads (miles)	405.8	418.4	431.4	437.7	437.7	440.0	444.9	446.1	446.6	448
Culture and Recreation										
Parks acreage	483	483	483	484.5	496.5	496.5	508.5	508.5	508.5	509
Playgrounds	11	11	11	11	13	13	13	13	13	13
Baseball/Softball diamonds	19	19	19	19	20	20	20	20	20	20
Soccer fields	10	11	11	11	7	7	7	7	7	7
Football fields	2	2	2	2	2	2	3	3	3	2
Recreation centers	3	3	3	3	3	3	4	4	4	4
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	0	0	0	1	1	1	1	1	1	1
Walking trails	8	8	8	8	8	8	10	10	10	9

SOURCE:

Various County departments.

NOTE:

Indicators are not available for the general government, judicial, health and welfare, and housing and development functions.

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	
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	824,357	1,759,357	1.47
2011	7,421,996	5,453,767	1,968,229	965,000	787,232	1,752,232	1.12
2012	7,766,773	5,659,962	2,106,811	990,000	748,340	1,738,340	1.21
2013	7,149,238	5,142,221	2,007,017	1,000,000	708,539	1,708,539	1.17
2014	8,021,310	5,685,488	2,335,822	1,020,000	670,885	1,690,885	1.38

(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
Sun City Peachtree Homeowners Association	Retirement community	1	17,003,000	$ 164,650	2.08 %
Spalding County Law Enforcement Complex	Government	2	13,098,800	126,495	1.60
Northside Griffin, LLC	Apartment homes	3	12,803,200	123,017	1.56
Brightmoor Health	Nursing home	4	8,056,500	77,972	0.99
Caterpiller, Inc.	Power generation systems	5	6,449,900	62,365	0.79
Spalding County Correctional Institution	Government	6	5,958,600	57,533	0.73
AEP Industries, Inc.	Packaging film	7	5,215,300	50,262	0.64
Sumika Polymer Compounds	Plastic compounds for automotive parts	8	4,769,300	46,034	0.58
Gregory Williams	Mobile home park	9	3,558,600	34,327	0.43
Spalding Convalesent	Nursing home	10	3,337,000	32,184	0.41
Total			80,250,200	$ 774,839	9.81 %

SOURCE:

City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
NUMBER OF CUSTOMERS AND CONSUMPTION
LAST TEN 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
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
2011	12,104	809,328,600	6.49	8.11	8.89
2012	12,218	822,145,200	6.64	8.30	9.10
2013	12,193	776,411,400	7.06	8.83	9.67
2014	12,478	753,268,900	7.06	8.83	9.67

SOURCE:
City of Griffin

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 *GOVERNMENTAL AUDITING STANDARDS*

Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Spalding County, Georgia (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 10, 2014. Our report includes reference to other auditors who audited the financial statements of the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority, as described in our report on the County'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. Our report also includes a reference to the change in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 10, 2014

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2014 due to the County not expending $500,000 or more of federal funds.

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SPALDING COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

2013 - 1. Management of Due To/From (Internal) Accounts

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of the County in accordance with generally accepted accounting principles.

Condition: During our testing of interfund due to/ due from accounts, we noted that the amounts recorded between the funds did not properly net to zero. Additionally, some of the accounts had the same balance as the prior year and had not been properly adjusted to reflect current year activity prior to our arrival.

Auditee Response / Status: The above finding was corrected during the year and is not included as a finding for the current year.

2013 - 2. GMA Lease Pool - Fair Value Reporting

Criteria: The Governmental Accounting Standards Board (GASB) Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, requires derivative instruments to be measured at fair value. Changes in the fair value are to be reported as a component of investment income.

Condition: During our audit of the GMA Lease Pool investment maintained by the Trustee, Bank of New York, we noted that the ending investment balance at June 30, 2013 per the bank did not properly reflect all transactions that had occurred during the fiscal year.

Auditee Response / Status: The above finding was corrected during the year and is not included as a finding for the current year.

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 the governmental activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise Spalding County, Georgia's basic financial statements. We have issued our report thereon dated December 10, 2014, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of State Contractual Assistance - DHR is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of State Contractual Assistance - DHR is fairly stated in all material respects in relation to the basic financial statements 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 10, 2014

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Program Name	Contract Number	Contract Period	Due From State June 30, 2013	Revenue Received	Expenditures	Due From State June 30, 2014
Community Services Block Grant	427-040-000013217	October 2012 - September 2013	$ 18,300	$ 20,778	$ 2,478	$ -
Community Services Block Grant	427-040-000013217	October 2013 - September 2014	-	55,105	90,319	35,214
			$ 18,300	$ 75,883	$ 92,797	$ 35,214