SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2015

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

SPALDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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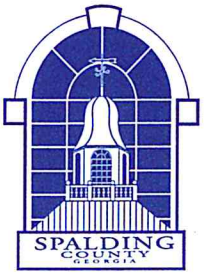
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I. INTRODUCTORY SECTION

SPALDING COUNTY
BOARD OF COMMISSIONERS

Rita C. Johnson, CHAIRMAN
Bart Miller, Jr., VICE CHAIRMAN
Gwen Flowers-Taylor
Donald F. Hawbaker
Raymond T. Ray, Jr.



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

December 16, 2015

To the Honorable Rita Johnson, 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, 2015.

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, 2015 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, 2015 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.

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, 2015.

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.

Local Economy

Spalding County's economic outlook is influenced by the Atlanta region and is emerging out of the great recession of the last several 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, 2015 is 8.6 percent; while the State of Georgia rate is 6.1 percent.

Continuing development trends, both in terms of population and economic growth, are strongly influenced by the ongoing suburbanization of Spalding County. Economic development continues with the announcement of a third industry to locate in The Lakes at Green Valley, Georgia's first eco-friendly Industrial Park. Marukan Vinegar will place their second U.S. Brewery at The Lakes joining Otsuka Chemical Company, LTD's North American Headquarters and Toppan Printing Company, LTD's $100 million dollar investment in the 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, will open their new 5,000 square foot Medical Office Complex in the first quarter of 2016 and is actively recruiting physicians to the community. Southern Crescent Technical College recently acquired property to construct the Georgia Film Institute at the Griffin campus to meet the growing demand for qualified film and production personnel in the state of Georgia, The Griffin Spalding County Board of Education in cooperation with the Boards of Pike and Butts County were issued a charter and a $2.1 million dollar grant for creation of a regional College and Career Academy to be located in Griffin and is set to open in the fall of 2016. The UGA Griffin Campus in collaboration with the Griffin-Spalding County Development Authority and the State and Federal governments have a new $5.5 million dollar Food PIC, or Product Innovation & Commercialization Center, under construction with a late 2016 completion date. 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. The June 2015 groundbreaking of a new Turf Grass Facility at the Griffin Campus continues the State's commitment to the $8 billion dollar turf grass industry and to the Griffin Campus. Funding for this facility was provided during the 2014 legislative session by Governor Nathan Deal and the Georgia General Assembly. Location of both of these world class facilities at the UGA Griffin Campus will add to making Spalding County the higher education destination on the south side of Atlanta.

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 2015 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 2016. These new residents will

create a demand for additional retail and commercial services, which will fuel growth in this economic sector of our community.

The City of Griffin and Spalding County are working in partnership on a $60 million dollar economic development project to relocate and expand the existing Griffin-Spalding County Municipal Airport. The current airport, constructed in 1939, is landlocked and expansion at the existing location is cost prohibitive. In 2009, the City and County completed a Site Selection Study and selected a site north of Georgia Highway 16 near the new Lakes at Green Valley Industrial Park. The new airport's proximity to Interstate 75 is ideal to attract business and industry and to further enhance local economies with "halo" effects from supply chains for parts, manufacturing, consumer goods and services to hospitality, food and beverage, and professional services. The Federal Aviation Administration (FAA) will fund this project at 90 percent with FAA Airport Improvement Program (AIP) Trust Fund dollars and the City and County will jointly fund the remaining 10 percent in local matching funds, depending on the amount of Georgia Department of Transportation (GDOT) participation. Acquisition of property for the new airport will begin in 2016 and construction of the airport will take approximately 6 or 7 years to complete.

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

Spalding County was made a part of the Atlanta Regional Commission (ARC) for transportation planning purposes in 2005. The ARC model requires a more comprehensive approach for funding transportation needs than has been required in the past. The Cities of Griffin, Orchard Hill and Sunny Side in cooperation with Spalding County are preparing a joint Comprehensive Transportation Plan for the next 15 years to provide guidance and direction for future transportation needs.

The County passed a Special Purpose Local Option Sales Tax (SPLOST) in 2015 to provide funding for a variety of projects for the Cities of Griffin, Orchard Hill and Sunny Side as well as Spalding County. County-wide projects include improvements at many county parks, construction of an aquatics center and pickleball facility, renovations of the Spalding County Animal Shelter, retirement of outstanding debt, purchase of equipment and materials for the local library, new fire trucks and extrication tools, upgrades of the judicial system computers and software, upgrade of Spalding County's 911 Computer Aided Dispatch and telephone system and the Spalding County 911 Center, equipment for a Senior Nutrition program, relocation of an 800 MHz tower and various transportation improvements. Voters overwhelmingly approved the six year SPLOST in a November 2015 referendum and collection of the sales tax will commence on April 1, 2016. The City of Griffin and Spalding County will issue revenue bonds in early 2016 for a portion of the projects included on the ballot and the remainder of the projects will be funded on a "pay as you go" basis over the six years of tax collections.

Spalding County, along with the City of Griffin and the Griffin-Spalding County School System, entered into a multi-year partnership with the University of Georgia Archway program to make collaborative decisions regarding the future of our community. The Archway Partnership is a Public Service and Outreach Unit at the University of Georgia and delivers

a full range of University of Georgia and other resources to the community. The Archway partnership provides a neutral platform where government and community leaders and groups can come together to discuss the needs of the community and connect to higher education resources. A diverse group of local leaders will serve on the Archway Executive Committee, giving direction through multiple voices on ways to address community-driven priorities.

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, FY 2015 actual revenues were less than appropriations ($38,873,566 versus $39,270,314). 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 ($38,073,007 versus $40,608,458). Spalding County ultimately saw an increase in fund balance of $633,600 for fiscal year 2015.

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, 2014. This was the fourteenth 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

Eric L. Mosley
Assistant 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

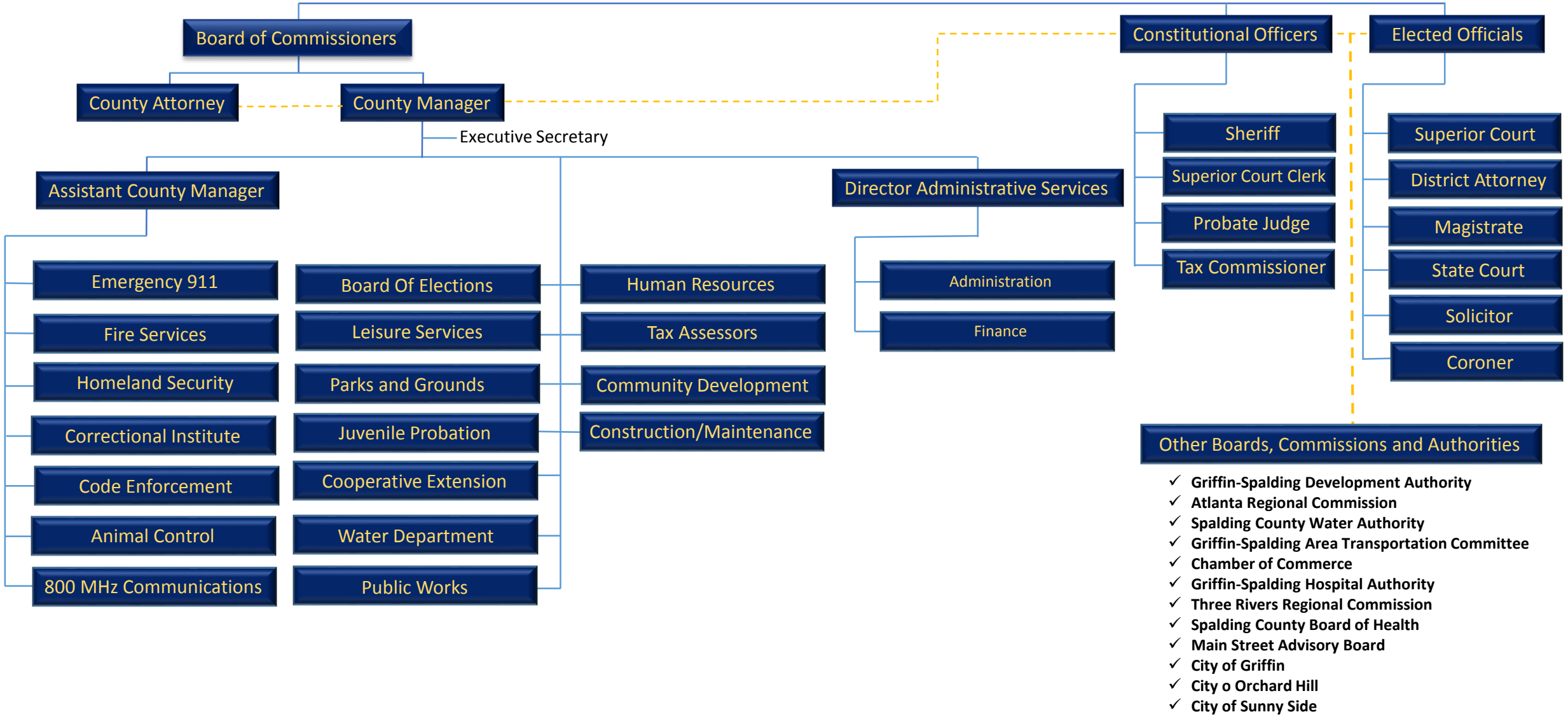
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

Citizens of Spalding County



- ✓ **Griffin-Spalding Development Authority**
- ✓ **Atlanta Regional Commission**
- ✓ **Spalding County Water Authority**
- ✓ **Griffin-Spalding Area Transportation Committee**
- ✓ **Chamber of Commerce**
- ✓ **Griffin-Spalding Hospital Authority**
- ✓ **Three Rivers Regional Commission**
- ✓ **Spalding County Board of Health**
- ✓ **Main Street Advisory Board**
- ✓ **City of Griffin**
- ✓ **City o Orchard Hill**
- ✓ **City of Sunny Side**

SPALDING COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

BOARD OF COMMISSIONERS
Rita Johnson, Chairman
Bart Miller, Vice-Chairman
Gwen Flowers-Taylor
Raymond T. Ray, Jr.
Donald F. Hawbaker

COUNTY MANAGER
William P. Wilson, Jr.

ASSISTANT COUNTY MANAGER
Eric L. Mosley

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

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Spalding County Department of Public Health and the Griffin-Spalding County Development Authority, whose statements reflect total assets of $1,170,964 and $18,102,684, respectively, total net position of $21,314 and $18,065,916, respectively, and total revenues of $1,456,730 and $943,754, respectively, which collectively represent 35.5%, 43.8%, and 23.3%, 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, 2015, 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 discussed in Notes 9 and 17, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the County's net pension liability and related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Funding Progress (page 74), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 75), the Schedule of County Contributions (page 76), the Schedule of Proportionate Share of the Net Pension Liability – Component Unit (page 77), and the Schedule of Contributions – Component Unit (page 77) 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 16, 2015, 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 16, 2015

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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, 2015. 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 including deferred outflows exceeded its liabilities at June 30, 2015, by $103,737,993 (net position). The County's total net position increased by $4,779,700 during the year. Due to the implementation of GASB Statement No. 68 and No. 71, the County was required to record its portion of the net pension liability. Beginning net position was restated to reflect a decrease of $6,423,844.
- The County's total long-term liabilities increased by $5,549,022 during the current fiscal year. This included the County's net pension liability of $6,577,270.
- At June 30, 2015, the County's governmental funds reported combined ending fund balances of $27,357,080, an increase of $405,853 or 1.51% in comparison with the prior year. Of this amount, $1,562,202 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2015, the County's General Fund reported an unassigned fund balance of $1,562,527.
- The County's 2008 SPLOST Capital Project Fund closed fiscal year 2015 with a fund balance of $16,388,965. The 2008 SPLOST ended December 31, 2014 and is being used for various city and county infrastructure projects as well as a new industrial park.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Spalding County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the 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 position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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, highways and streets, 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 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire District and 2008 SPLOST Capital Projects funds which are considered to be major funds. Data from the other 14 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 – 20. 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 – 73 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 78 – 97 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Spalding County, assets and deferred outflows of resources exceeded liabilities by $103,737,993 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (81.96%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and intangible assets); less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide a variety of services to its 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

	2015	2014
Current and other assets	$ 31,727,824	$ 31,812,888
Capital assets	89,971,831	90,162,904
Total assets	121,699,655	121,975,792
Deferred outflow of resources	179,093	-
Long-term liabilities outstanding	13,891,137	8,342,115
Other liabilities	3,567,978	7,674,355
Total liabilities	17,459,115	16,016,470
Deferred inflow of resources	681,640	577,185
Net position:		
Invested in capital assets, net of related debt	85,020,018	84,742,325
Restricted	22,977,148	22,961,705
Unrestricted	(4,259,173)	(8,745,737)
Total net position	$ 103,737,993	$ 98,958,293

An additional portion of Spalding County's net position (22.15%) 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 $4,259,173. The County's deficit in unrestricted net assets decreased $4,486,564 from the prior year which was restated to include implementation of GASB Statement No. 68 and No. 71, which requires the County to record their portion of the net pension liability.

Governmental Activities. Governmental activities increased the County's net position by $4,779,700 during the year. However, due to the implementation of GASB Statement No. 68 and No. 71, which requires the County to record their portion of the net pension liability, beginning net position was restated to reflect a decrease of $1,758,937. Key elements of the decrease in net position are as follows:

Spalding County's Changes in Net Position

	2015	2014
Revenues		
Program revenues:		
Charges for services	$ 10,148,850	$ 9,068,329
Operating grants and contributions	1,437,094	1,762,818
Capital grants and contributions	6,917	37,160
General revenues:		
Property taxes	23,979,331	24,660,616
Other taxes	15,001,160	19,473,605
Investment income	142,586	148,120
Total revenues	50,715,938	55,150,648
Expenses		
General government	5,496,857	7,034,101
Judicial	4,938,181	4,794,545
Public safety	27,544,324	27,191,157
Public works	2,688,331	7,115,261
Health and welfare	574,334	569,205
Culture and recreation	2,499,384	2,394,204
Housing and development	1,830,357	825,926
Interest on long-term debt	364,470	561,341
Total expenses	45,936,238	50,485,740
Change in net position	4,779,700	4,664,908
Prior period adjustment	-	(6,423,844)
Net position, beginning of year, as restated	98,958,293	100,717,229
Net position, end of year	$ 103,737,993	$ 98,958,293

- Charges for services increased $1,080,521 during the current fiscal year. This was due to increases in impact fee collections, increased state reimbursements for inmate housing and care, and 800MHz radio user fees.
- Operating grants and contributions decreased $325,724 over the previous fiscal year primarily due to decreased reimbursements from the Georgia Department of Transportation.
- Capital grants and contributions decreased $30,243 due to the completion of the Highland Mills Sewer project during fiscal year 2014 that was funded with a Community Development Block Grant.

- Property tax collections decreased $681,285 over the previous year. Property tax assessments for the January 1, 2014 tax digest were calculated using additional depreciation that resulted in a decrease in the net digest.

- Other taxes, consisting mainly of sales taxes decreased $4,472,444, due primarily to the expiration of the 2008 Special Purpose Local Option Sales Tax on December 31, 2014 and the effect of the State's title ad valorem tax.

- General government expenses decreased $1,537,244 from the previous year primarily due to the expiration of the 2008 SPLOST and related intergovernmental transfers to the City of Griffin.

- Public works expenses decreased $4,426,930 over the previous fiscal year due to the completion of transportation projects funded by the 2008 SPLOST.

- Housing and development expenses increased $1,004,431 due to the purchase of real estate for Southern Crescent Technical College and infrastructure improvements to the Lakes at Green Valley Industrial Park with 2008 SPLOST funds.

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 $27,357,080, an increase of $405,853 in comparison with the prior year. Approximately 5.71% of this total amount ($1,562,202) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, $23,091,365 is restricted for public safety, capital projects, and debt service and $1,891,596 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 $1,562,527, while total fund balance reached $3,297,015. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.10% of total general fund expenditures, while total fund balance represents 8.66% of that same amount.

The fund balance of Spalding County's General Fund increased by $633,600 during the current fiscal year. Management's control on spending contributed to this increase.

Spalding County voters approved a continuation of the 2005 Special Purpose Local Option 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 2015 the 2008 SPLOST Capital Projects fund had a restricted fund balance of $16,388,965, which is a decrease of $735,569 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 $1,374,450 and can be summarized as follows:

- Increase in general government activities - $75,047 due primarily to funding an additional payroll in fiscal 2015. The County pays employees biweekly and budgeted 26 payrolls in fiscal year 2015 when there were actually 27 payrolls. The increase also includes funding for a temporary employee in the Finance Department;
- Increase in judicial functions - $46,588, due to funding an additional payroll;
- Increase in public safety functions - $824,368, due primarily to funding an additional payroll and an increase in capital asset purchases;
- Increase in public works functions - $48,334, due primarily to funding an additional payroll;
- Increase in health and welfare services - $39,812, due primarily to building maintenance;
- Increase in culture and recreation activities - $266,130, due primarily to funding an additional payroll and an increase in capital asset purchases; and
- Increase in housing and development - $74,171, due primarily to funding an additional payroll and an increase in capital asset purchases.

Of these increases, $968,288 was funded by capital lease proceeds and the remainder was funded through the use of fund balance.

Actual General Fund revenues of $38,873,566 were less than final budgeted revenues by $396,748. Revenues for the 2015 budget were estimated using the actual prior year tax digest used to fund the fiscal 2014 budget. A change in assessment methods that increased depreciation on property tax assessments resulted in a decrease in the total net property tax digest and a decrease in property tax revenues.

Actual General Fund expenditures of $38,073,007 were less than final budgeted expenditures of $40,608,458 by $2,535,451. A united effort by Spalding County elected officials, department heads and employees to reduce operating expenditures resulted in this large variance.

Capital Asset and Debt Administration

Capital Assets. Spalding County's investment in capital assets for its governmental activities as of June 30, 2015, amounts to $89,971,831 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, park facilities, roads, highways, and bridges.

Spalding County's Capital Assets
(Net of Depreciation)

	Governmental Activities 2015	Governmental Activities 2014
Land	$ 3,132,527	$ 3,132,527
Construction in progress	10,968,375	10,861,223
Land improvements	4,881,676	5,029,139
Buildings and improvements	26,910,394	27,796,210
Machinery and equipment	3,323,706	3,249,062
Furniture and fixtures	2	1,344
Intangibles	344,222	385,995
Infrastructure (roads)	40,410,929	39,707,404
Total	$ 89,971,831	$ 90,162,904

Overall, governmental capital assets decreased by a net amount of $191,073 during 2015 due to depreciation and the retirement of capital assets. Total governmental capital assets added during 2015 amounted to $3,085,941. Major projects consisted of the following:

- $741,621 in Public Safety vehicles and equipment;
- $210,253 in machinery and equipment for Parks and Recreation;
- $7,800 in machinery and equipment for Community Development;
- $15,372 in machinery and equipment for the Correctional Institution;
- $49,980 in machinery and equipment for the Courthouse;
- $6,795 in computer software for the Courthouse; and
- $2,054,120 in donated subdivision roads accepted by the County.

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 had no outstanding bonded debt.

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 $157,043,795.

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 48 – 53 of this report.

Economic Factors and Next Year's Budgets

The following economic factors currently affect Spalding County and were considered in developing the fiscal 2016 budget:

- The unemployment rate for Spalding County is currently 8.6%, which is a decrease from a rate of 9.9% one year ago. The unemployment rate for the State of Georgia at June 30, 2015, was 6.1%.
- Spalding County began experiencing an economic downturn during fiscal 2008. Over the last seven years monthly sales taxes decreased and revenues associated with building permits, interest income, and state funded programs steadily declined. During fiscal year 2015 the County saw an upward swing in building permit and impact fee revenues and sales tax revenues have stabilized. The County is hopeful this positive revenue trend will continue.
- It is expected that there will be no growth in the tax digest for 2016 and a continued 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 2016 are based on a zero net digest growth (or decline) and no increases or decreases in the current millage rate. 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.
- Two new industries, Otsuka Chemical Company Ltd. and Toppan Printing Company Ltd. have located facilities in the new Lakes at Green Valley Industrial Park, and a third company, Marukan will invest $13 million dollars in a new facility in the industrial park in 2016.

All of these factors were taken into consideration when preparing the 2016 budget. During the current fiscal year, unassigned fund balance in the general fund increased 37.20% to $1,562,527. There has been no appropriation of fund balance for spending in the 2016 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, 2015

	Primary Government	Component Units		
	Governmental Activities	Health Department	Development Authority	Water Authority
ASSETS				
Cash and cash equivalents	$ 26,447,620	$ 1,005,493	$ 1,104,088	$ 9,770,828
Investments	1,653,114	-	1,750,000	-
Property taxes receivable	1,858,664	-	-	-
Accounts receivable	372,285	-	2,811	736,915
Due from other governments	714,501	141,361	20,841	-
Due from primary government	-	-	-	2,040
Restricted assets:				
Bond sinking fund	-	-	-	359,336
Fair value of interest rate swap	681,640	-	-	-
Capital assets, non-depreciable	14,100,902	-	14,840,988	286,126
Capital assets, depreciable (net of accumulated depreciation)	75,870,929	24,110	383,956	23,836,460
Total assets	121,699,655	1,170,964	18,102,684	34,991,705
DEFERRED OUTFLOWS OF RESOURCES				
Pension	179,093	125,554	-	-
Deferred charges on refunding	-	-	-	1,245,575
Total deferred outflows of resources	179,093	125,554	-	1,245,575
LIABILITIES				
Accounts payable	1,253,360	-	21,955	44,646
Accrued liabilities	426,676	-	4,889	3,600
Accrued interest payable	39,190	-	-	103,394
Due to other governments	-	54,210	-	-
Due to component unit	2,040	-	-	-
Claims payable due within one year	243,595	-	-	-
Claims payable due in more than one year	295,097	-	-	-
Capital leases due within one year	413,757	-	-	-
Capital leases due in more than one year	772,928	-	-	-
Bonds payable due within one year	-	-	-	285,000
Bonds payable due in more than one year	-	-	-	12,591,084
Compensated absences due within one year	685,244	33,451	9,924	9,738
Compensated absences due in more than one year	456,830	88,535	-	6,492
Certificates of participation due within one year	375,000	-	-	-
Certificates of participation due in more than one year	4,245,001	-	-	-
Landfill due within one year	129,116	-	-	-
Landfill due in more than one year	738,515	-	-	-
Net OPEB obligation due in more than one year	805,496	-	-	-
Net pension liability	6,577,270	873,556	-	-
Total liabilities	17,459,115	1,049,752	36,768	13,043,954
DEFERRED INFLOWS OF RESOURCES				
Pension	-	225,452	-	-
Accumulated increase in fair value of hedging activities	681,640	-	-	-
Total deferred inflows of resources	681,640	225,452	-	-
NET POSITION				
Net investment in capital assets	85,020,018	24,110	15,224,944	11,246,502
Restricted for:				
Grant purposes	20,227	-	-	-
Judicial	314,915	-	-	-
Public safety	2,387,132	-	-	-
Culture and recreation	476,775	-	-	-
Capital projects	18,974,017	-	-	-
Debt service	804,082	-	-	-
Other purposes	-	550,101	-	-
Unrestricted	(4,259,173)	(552,897)	2,840,972	11,946,824
Total net position	$ 103,737,993	$ 21,314	$ 18,065,916	$ 23,193,326

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 5,496,857	$ 2,318,583	$ 19,934	$ 6,524
Judicial	4,938,181	1,624,499	582,804	-
Public safety	27,544,324	5,654,678	121,079	366
Public works	2,688,331	246,710	604,979	-
Health and welfare	574,334	-	101,783	-
Culture and recreation	2,499,384	286,814	6,515	-
Housing and development	1,830,357	17,566	-	27
Interest on long-term debt	364,470	-	-	-
Total primary government	$ 45,936,238	$ 10,148,850	$ 1,437,094	$ 6,917
Component units:				
Health Department	$ 1,337,368	$ 555,951	$ 899,797	$ -
Development Authority	3,179,253	358,625	110,550	469,241
Water Authority	7,318,778	7,880,155	-	-
Total component units	$ 11,835,399	$ 8,794,731	$ 1,010,347	$ 469,241
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	
$ (3,151,816)	$ -	$ -	$ -	
(2,730,878)	-	-	-	
(21,768,201)	-	-	-	
(1,836,642)	-	-	-	
(472,551)	-	-	-	
(2,206,055)	-	-	-	
(1,812,764)	-	-	-	
(364,470)	-	-	-	
(34,343,377)	-	-	-	
-	118,380	-	-	
-	-	(2,240,837)	-	
-	-	-	561,377	
-	118,380	(2,240,837)	561,377	
23,979,331	-	-	-	
333,273	-	-	-	
2,481,082	-	-	-	
9,376,475	-	-	-	
198,185	-	-	-	
1,964,919	-	-	-	
121,465	-	-	-	
525,761	-	-	-	
142,586	982	5,338	-	
39,123,077	982	5,338	-	
4,779,700	119,362	(2,235,499)	561,377	
98,958,293	(98,048)	20,301,415	22,631,949	
$ 103,737,993	$ 21,314	$ 18,065,916	$ 23,193,326	

SPALDING COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	General	Fire District	Capital Projects 2008 SPLOST
Cash and cash equivalents	$ 3,488,794	$ 1,644,920	$ 16,451,949
Investments	-	-	-
Property taxes receivable	1,482,550	376,114	-
Accounts receivable	175,849	-	-
Prepaids	-	-	32,500
Due from other governments	685,939	-	-
Due from other funds	83,910	170,915	355
Total assets	$ 5,917,042	$ 2,191,949	$ 16,484,804
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 1,062,892	$ 64,430	$ 89,635
Accrued liabilities	344,415	65,031	-
Due to other funds	71,196	-	6,204
Due to component unit	2,040	-	-
Total liabilities	1,480,543	129,461	95,839
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	1,139,484	309,877	-
Total deferred inflows of resources	1,139,484	309,877	-
FUND BALANCES			
Fund balances:			
Nonspendable for:			
Prepaids	-	-	32,500
Restricted for:			
Grant purposes	-	-	-
Judicial	-	-	-
Public safety	-	1,752,611	-
Culture and recreation	-	-	-
Capital projects	-	-	16,356,465
Debt service	-	-	-
Assigned for:			
General government	3,898	-	-
Public safety	60,988	-	-
Public works	12,404	-	-
Judicial	43	-	-
Culture and recreation	79,702	-	-
Housing & development	56	-	-
Capital projects	-	-	-
Sales taxes	1,564,054	-	-
Tricentennial Celebration	1,986	-	-
Memorial Gifts	11,357	-	-
Unassigned	1,562,527	-	-
Total fund balances	3,297,015	1,752,611	16,388,965
Total liabilities, deferred inflows of resources and fund balances	$ 5,917,042	$ 2,191,949	$ 16,484,804

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.
Deferred outflows of resources are not due and payable in the current period, and therefore, are 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
$ 4,861,957	$ 26,447,620
1,088,251	1,088,251
-	1,858,664
151,344	327,193
-	32,500
28,562	714,501
25,738	280,918
$ 6,155,852	$ 30,749,647
$ 16,615	$ 1,233,572
17,230	426,676
203,518	280,918
-	2,040
237,363	1,943,206
-	1,449,361
-	1,449,361
-	32,500
20,227	20,227
314,915	314,915
705,782	2,458,393
476,775	476,775
3,439,925	19,796,390
804,082	804,082
-	3,898
-	60,988
-	12,404
-	43
-	79,702
-	56
157,108	157,108
-	1,564,054
-	1,986
-	11,357
(325)	1,562,202
5,918,489	27,357,080
$ 6,155,852	
	89,971,831
	767,721
	(13,751,211)
	179,093
	(805,496)
	18,975
	$ 103,737,993

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General	Fire District	Capital Projects 2008 SPLOST
REVENUES			
Property taxes	$ 20,671,271	$ 3,727,053	$ -
Alcoholic beverage taxes	333,273	-	-
Vehicle taxes	2,481,082	-	-
Sales taxes	5,094,639	-	796,492
Other taxes	698,818	1,990,047	-
Licenses and permits	446,798	-	-
Intergovernmental	1,245,252	48,589	-
Charges for services	5,129,508	-	-
Court fees, fines and forfeitures	1,185,109	-	-
Interest	6,204	-	307
Contributions and donations	6,515	-	-
Rentals	230,493	-	-
Other	1,344,604	227	-
Total revenues	38,873,566	5,765,916	796,799
EXPENDITURES			
Current:			
General government	4,755,563	-	1,100
Judicial	4,301,698	-	-
Public safety	21,364,796	5,066,318	-
Public works	3,291,378	-	-
Health and welfare	505,768	-	-
Culture and recreation	2,596,783	-	-
Housing and development	778,402	-	-
Intergovernmental	-	-	304,851
Capital outlay	-	34,315	1,224,899
Debt service:			
Principal	372,510	292,755	-
Interest	106,109	39,830	1,518
Total expenditures	38,073,007	5,433,218	1,532,368
Excess (deficiency) of revenues over (under) expenditures	800,559	332,698	(735,569)
OTHER FINANCING SOURCES (USES)			
Transfers in	679,774	222,874	-
Transfers out	(846,733)	(50,000)	-
Total other financing sources (uses)	(166,959)	172,874	-
Net change in fund balances	633,600	505,572	(735,569)
FUND BALANCES, beginning of year	2,663,415	1,247,039	17,124,534
FUND BALANCES, end of year	$ 3,297,015	$ 1,752,611	$ 16,388,965

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

Other Governmental Funds	Total Governmental Funds
$ -	$ 24,398,324
-	333,273
-	2,481,082
3,485,344	9,376,475
121,465	2,810,330
-	446,798
136,511	1,430,352
1,347,042	6,476,550
464,688	1,649,797
142,979	149,490
-	6,515
-	230,493
608	1,345,439
5,698,637	51,134,918
30,455	4,787,118
151,316	4,453,014
1,601,184	28,032,298
-	3,291,378
67,184	572,952
-	2,596,783
81,376	859,778
-	304,851
-	1,259,214
3,474,745	4,140,010
284,212	431,669
5,690,472	50,729,065
8,165	405,853
896,733	1,799,381
(902,648)	(1,799,381)
(5,915)	-
2,250	405,853
5,916,239	26,951,227
$ 5,918,489	$ 27,357,080

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, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	405,853
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.		(162,345)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(28,728)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(418,993)
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.		4,220,272
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.		356,556
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.		407,085
	$	4,779,700

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 24,377,325	$ 22,400,510	$ 20,671,271	$ (1,729,239)
Alcoholic beverage taxes	326,000	326,000	333,273	7,273
Vehicle taxes	1,228,000	2,328,000	2,481,082	153,082
Sales taxes	5,000,000	5,000,000	5,094,639	94,639
Other taxes	757,000	757,000	698,818	(58,182)
Licenses and permits	243,000	243,000	446,798	203,798
Intergovernmental	626,440	653,916	1,245,252	591,336
Charges for services	4,918,296	4,918,296	5,129,508	211,212
Court fees, fines and forfeitures	1,182,500	1,182,500	1,185,109	2,609
Interest	-	-	6,204	6,204
Contributions and donations	-	-	6,515	6,515
Rentals	201,460	214,560	230,493	15,933
Other	1,220,720	1,246,532	1,344,604	98,072
Total revenues	40,080,741	39,270,314	38,873,566	(396,748)
EXPENDITURES				
Current:				
General government:				
Board of commissioners	367,634	373,716	349,276	24,440
Board of elections	253,046	256,646	184,324	72,322
Administration	298,610	305,629	234,404	71,225
Finance	105,107	123,575	120,097	3,478
Information systems	168,538	168,538	163,305	5,233
Human resources	179,383	184,399	175,189	9,210
Tax commissioner	797,510	811,272	730,340	80,932
Tax assessors	530,314	540,994	496,632	44,362
Construction and maintenance	318,872	326,795	319,616	7,179
Janitorial services	100,455	102,952	97,866	5,086
General appropriations	1,835,935	1,835,935	1,884,514	(48,579)
Total general government	4,955,404	5,030,451	4,755,563	274,888
Judicial:				
Superior court	178,590	178,590	154,576	24,014
Griffin judicial circuit	904,345	915,902	819,764	96,138
Clerk of court	812,177	824,100	666,656	157,444
District attorney	434,361	434,361	434,571	(210)
State court	671,830	674,665	652,589	22,076
Solicitor	185,625	188,088	184,602	3,486
Magistrate court	761,214	775,995	721,686	54,309
Probate court	215,392	218,421	219,909	(1,488)
Public defender	40,645	40,645	42,740	(2,095)
Public defender circuit	404,605	404,605	404,605	-
Total judicial	4,608,784	4,655,372	4,301,698	353,674

(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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Current (Continued):				
Public safety:				
Sheriff	$ 680,143	$ 688,924	$ 706,009	$ (17,085)
Victim services	77,536	79,447	69,414	10,033
Warrant division	604,610	680,063	644,823	35,240
Criminal investigation division	887,159	944,808	912,093	32,715
Uniform patrol division	3,209,050	3,572,992	3,217,617	355,375
Jail	7,632,093	7,800,058	7,405,944	394,114
Narcotics task force	1,034,136	1,064,625	1,018,201	46,424
Correctional institution	5,880,918	5,982,043	6,028,382	(46,339)
Juvenile probation	486,457	494,615	470,978	23,637
Coroner	54,152	55,302	56,677	(1,375)
800 MHz communication	471,434	473,299	477,740	(4,441)
Animal control	321,373	327,253	317,768	9,485
Emergency management	39,399	39,399	39,150	249
Total public safety	21,378,460	22,202,828	21,364,796	838,032
Public works:				
Public works	2,893,072	2,926,160	2,227,735	698,425
Solid waste collection	804,930	813,508	811,432	2,076
Garage	279,066	285,734	252,211	33,523
Total public works	3,977,068	4,025,402	3,291,378	734,024
Health and welfare:				
Health	425,079	464,891	459,057	5,834
Welfare	54,500	54,500	46,711	7,789
Total health and welfare	479,579	519,391	505,768	13,623
Culture and recreation:				
Recreation	518,248	532,438	530,552	1,886
Senior citizens' bus	29,105	29,105	17,900	11,205
Parks	1,735,443	1,987,383	1,847,351	140,032
Libraries	200,980	200,980	200,980	-
Total culture and recreation	2,483,776	2,749,906	2,596,783	153,123
Housing and development:				
Cooperative extension service	164,635	168,885	132,124	36,761
Community development	412,378	420,299	380,835	39,464
Code enforcement	123,099	185,099	165,443	19,656
Development Authority	100,000	100,000	100,000	-
Total housing and development	800,112	874,283	778,402	95,881

(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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Current (Continued):				
Debt service:				
Principal	$ 442,000	$ 442,000	$ 372,510	$ 69,490
Interest	108,825	108,825	106,109	2,716
Total debt service	550,825	550,825	478,619	72,206
Total expenditures	39,234,008	40,608,458	38,073,007	2,535,451
Excess (deficiency) of revenues over (under) expenditures	846,733	(1,338,144)	800,559	2,138,703
OTHER FINANCING SOURCES (USES)				
Transfers in	-	745,414	679,774	(65,640)
Transfers out	(846,733)	(846,733)	(846,733)	-
Total other financing sources (uses)	(846,733)	(101,319)	(166,959)	(65,640)
Net change in fund balances	-	(1,439,463)	633,600	2,073,063
FUND BALANCES, beginning of year	2,663,415	2,663,415	2,663,415	-
FUND BALANCES, end of year	$ 2,663,415	$ 1,223,952	$ 3,297,015	$ 2,073,063

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, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 4,058,799	$ 3,895,883	$ 3,727,053	$ (168,830)
Other taxes	1,930,000	2,092,916	1,990,047	(102,869)
Intergovernmental	45,700	45,700	48,589	2,889
Other	-	-	227	227
Total revenues	6,034,499	6,034,499	5,765,916	(268,583)
EXPENDITURES				
Current:				
Public safety	5,576,049	5,685,205	5,066,318	618,887
Capital outlay	-	172,874	34,315	138,559
Debt service:				
Principal	398,450	398,450	292,755	105,695
Interest	60,000	60,000	39,830	20,170
Total expenditures	6,034,499	6,316,529	5,433,218	883,311
Excess (deficiency) of revenues over (under) expenditures	-	(282,030)	332,698	614,728
OTHER FINANCING SOURCES (USES)				
Transfers in	-	222,874	222,874	-
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources (uses)	-	172,874	172,874	-
Net change in fund balances	-	(109,156)	505,572	614,728
FUND BALANCES, beginning of year	1,247,039	1,247,039	1,247,039	-
FUND BALANCES, end of year	$ 1,247,039	$ 1,137,883	$ 1,752,611	$ 614,728

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Governmental Activities - Internal Service Funds
	Workers' Compensation
ASSETS	
CURRENT ASSETS	
Investments	$ 564,863
Accounts receivable	12,592
Total current assets	577,455
Total assets	577,455
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	19,788
Current portion of claims payable	243,595
Total current liabilities	263,383
NONCURRENT LIABILITIES	
Claims payable, net of current portion	295,097
Total noncurrent liabilities	295,097
Total liabilities	558,480
NET POSITION	
Unrestricted	18,975
Total net position	$ 18,975

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, 2015

	Governmental Activities - Internal Service Funds
	Workers' Compensation
OPERATING REVENUES	
Contributions	$ 897,114
Total operating revenues	897,114
OPERATING EXPENSES	
Claims paid	258,542
Administration and other costs	231,500
Total operating expenses	490,042
Operating income	407,072
NON-OPERATING REVENUES	
Interest income	13
Total non-operating revenues	13
Change in net position	407,085
NET POSITION (DEFICIT), beginning of year	(388,110)
NET POSITION, end of year	$ 18,975

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, 2015

	Governmental Activities - Internal Service Funds
	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	$ 897,114
Payments for insurance claims	(189,461)
Payments to suppliers for services provided	(231,500)
Net cash provided by operating activities	476,153
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(479,049)
Interest received	13
Net cash used in investing activities	(479,036)
Net decrease in cash and cash equivalents	(2,883)
Cash and cash equivalents, beginning of year	2,883
Cash and cash equivalents, end of year	$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 407,072
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Increase in accounts receivable	(4,660)
Increase in claims payable	73,741
Net cash provided by operating activities	$ 476,153

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds
ASSETS	
Cash	$ 920,647
Taxes receivable	3,407,608
Accounts receivable	22,524
Total assets	$ 4,350,779
LIABILITIES	
Due to others	$ 4,350,779

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

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FINANCIAL STATEMENTS

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.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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. These items are accounted for using the consumption method.

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

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 has one item that qualifies for reporting in this category. This item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

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 net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category. An effective 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. Additionally, the County has unavailable revenues that arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants, which will be recognized as an inflow of resources in the period in which the amounts become available.

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 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 recognized during the current period.

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.

M. Pensions

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

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 $13,751,211 difference are as follows:

Capital leases payable	$	(1,186,685)
Certificates of participation		(4,620,001)
Less: Fair value of interest rate swap		681,640
Landfill postclosure costs		(867,631)
Net pension liability		(6,577,270)
Compensated absences		(1,142,074)
Accrued interest		(39,190)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(13,751,211)

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 $767,721 difference are as follows:

Deferred property tax revenue	$	1,449,361
Deferred fair value of interest rate swap		(681,640)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	767,721

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 $(162,345) difference are as follows:

Capital outlay	$	3,193,093
Depreciation expense		(3,355,438)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(162,345)

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 $4,220,272 difference are as follows:

Principal repayments:		
Capital leases	$	398,430
Bonds payable		3,300,000
Certificates of participation		441,580
Landfill postclosure costs		80,262
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	4,220,272

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 $356,556 difference are as follows:

Compensated absences	$	119,492
Amortization of premium on general obligation bonds		13,053
Accrued interest		54,146
Net OPEB obligation		(131,296)
Net pension liability		122,068
Deferred outflows of resources		179,093
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	356,556

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, 2015, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund:	
General appropriations	$ 48,579
District attorney	210
Probate court	1,488
Public defender	2,095
Sheriff	17,085
Correctional institution	46,339
Coroner	1,375
800 MHz communication	4,441
Community Services Block Grant Fund	
General government	53
Judicial	9,661
Law Library	
Judicial	48,385
Senior Nutrition	
General government	325
Griffin Judicial Circuit Drug Court	
Judicial	2,788
2008 SPLOST Debt Service	
Interest	65,863
Capital Projects 2008 SPLOST	
Interest	318

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED

B. Excess of Expenditures Over Appropriations (Continued)

The overexpenditures in the General Fund and Capital Projects 2008 SPLOST Fund were funded by underexpenditures in other departments. The overexpenditures in the Community Services Block Grant Fund and 2008 SPLOST Debt Service Fund were funded by additional revenues. The overexpenditures in the Law Library Fund were funded by additional revenues and fund balance. The overexpenditures in the Griffin Judicial Circuit Drug Court Fund were funded by fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2015 are summarized as follows:

Balances per statement of net position:		
Cash and cash equivalents - Primary Government	$	26,447,620
Cash and cash equivalents - Health Department		1,005,493
Cash and cash equivalents - Development Authority		1,104,088
Cash and cash equivalents - Water Authority		9,770,828
Investments - Primary Government		1,653,114
Investments - Development Authority		1,750,000
Restricted assets:		
Water Authority - Bond sinking fund		359,336
Balances per statement of fiduciary net position:		
Cash - Agency funds		920,647
	$	43,011,126
Balances by type:		
Cash deposited with financial institutions	$	24,717,442
Money market		16,640,571
Mutual bond funds		564,863
Guaranteed Investment Contracts		1,088,250
	$	43,011,126

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, 2015, 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)

Credit Risk (Continued). The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the State Treasurer of the State of Georgia. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The investments in Georgia Fund 1 are valued at fair market value. The regulatory oversight agency for Georgia Fund 1 is the State Treasurer of the State of Georgia. As of June 30, 2015, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

At June 30, 2015, the County had the following investments:

Investment	Maturities	Fair Value
Money market	N/A	$ 16,640,571
Mutual bond fund	N/A	564,863
Guaranteed Investment Contract	June 1, 2028	1,088,250
		$ 18,293,684

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, 2015, 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, 2015 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Fire District
Receivables:		
Taxes	$ 2,299,718	$ 376,114
Accounts	175,849	-
Due from other governments	685,939	-
Gross receivables	3,161,506	376,114
Less allowance for uncollectibles	817,168	-
Net total receivables	$ 2,344,338	$ 376,114

	Nonmajor Governmental	Total Governmental	Internal Service Fund
Receivables:			
Taxes	$ -	$ 2,675,832	$ -
Accounts	151,344	327,193	12,592
Due from other governments	28,562	714,501	-
Gross receivables	179,906	3,717,526	12,592
Less allowance for uncollectibles	-	817,168	-
Net total receivables	$ 179,906	$ 2,900,358	$ 12,592

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, 2014, upon which the fiscal 2015 levy was based, was the gross digest amount of $1,570,437,952 (40% of the estimated market value of $3,926,094,880).

The tax billing cycle for fiscal year 2015 is as follows:

Tax bills mailed	September 18, 2014
Payment due date	November 15, 2014
Delinquency date	December 20, 2014
Lien date	April 10, 2015

The distribution of the County's levy (tax rate per $1,000 assessed value) as of June 30, 2015 is as follows:

General government	16.01 mills
Fire District	4.17 mills
School System	19.47 mills
State of Georgia	.10 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	10,861,223	107,152	-	-	10,968,375
Total	13,993,750	107,152	-	-	14,100,902
Capital assets, being depreciated:					
Land improvements	6,908,617	-	-	-	6,908,617
Building improvements	45,316,180	-	-	-	45,316,180
Machinery and equipment	18,861,935	1,025,026	(38,350)	-	19,848,611
Furniture and fixtures	47,596	-	-	-	47,596
Intangibles	614,920	6,795	-	-	621,715
Infrastucture	81,897,287	2,054,120	-	-	83,951,407
Total	153,646,535	3,085,941	(38,350)	-	156,694,126
Less accumulated depreciation for:					
Land improvements	(1,879,478)	(147,463)	-	-	(2,026,941)
Building improvements	(17,519,970)	(885,816)	-	-	(18,405,786)
Machinery and equipment	(15,612,873)	(921,654)	9,622	-	(16,524,905)
Furniture and fixtures	(46,252)	(1,342)	-	-	(47,594)
Intangibles	(228,925)	(48,568)	-	-	(277,493)
Infrastructure	(42,189,883)	(1,350,595)	-	-	(43,540,478)
Total	(77,477,381)	(3,355,438)	9,622	-	(80,823,197)
Total capital assets, being depreciated, net	76,169,154	(269,497)	(28,728)	-	75,870,929
Total capital assets, net	$ 90,162,904	$ (162,345)	$ (28,728)	$ -	$ 89,971,831

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

Governmental activities:	
General government	$ 436,206
Judicial	536,870
Public safety	771,751
Public works	1,409,284
Culture and recreation	201,327
Total depreciation expense - governmental activities	$ 3,355,438

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	$ 172,419	$ 1,359	$ -	$ 173,778
Less accumulated depreciation for:				
Machinery and equipment	(141,885)	(7,783)	-	(149,668)
Total capital assets, net	$ 30,534	$ (6,424)	$ -	$ 24,110

C. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Capital assets, not being depreciated:					
Land development costs	$ 356,720	$ -	$ -	$ -	$ 356,720
Land, industrial parks	3,008,065	-	(2,451,117)	8,096,676	8,653,624
Infrastructure	-	-	-	1,889,411	1,889,411
Construction in progress	15,384,491	469,241	(1,926,412)	(9,986,087)	3,941,233
Total	18,749,276	469,241	(4,377,529)	-	14,840,988
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	(291,912)	(17,330)	-	-	(309,242)
Furniture and fixtures	(163,331)	-	-	-	(163,331)
Total	(455,243)	(17,330)	-	-	(472,573)
Total capital assets, being depreciated, net	401,286	(17,330)	-	-	383,956
Total capital assets, net	$ 19,150,562	$ 451,911	$ (4,377,529)	$ -	$ 15,224,944

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	31,135	241,491	-	-	272,626
Total	44,635	241,491	-	-	286,126
Capital assets, being depreciated:					
Water delivery system	31,979,235	-	-	-	31,979,235
Sewer system	2,065,296	-	-	-	2,065,296
Buildings	48,751	-	-		48,751
Machinery and equipment	781,780	-	-		781,780
Intangibles	145,279	-	-		145,279
Total	35,020,341	-	-	-	35,020,341
Less accumulated depreciation for:					
Water delivery system	(9,530,985)	(639,584)	-	-	(10,170,569)
Sewer system	(132,681)	(41,307)	-	-	(173,988)
Buildings	(41,129)	(198)	-	-	(41,327)
Machinery and equipment	(781,780)	-	-	-	(781,780)
Intangibles	(13,312)	(2,905)	-	-	(16,217)
Total	(10,499,887)	(683,994)	-	-	(11,183,881)
Total capital assets, being depreciated, net	24,520,454	(683,994)	-	-	23,836,460
Total capital assets, net	$ 24,565,089	$ (442,503)	$ -	$ -	$ 24,122,586

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2008 General obligation bonds	$ 3,300,000	$ -	$ (3,300,000)	$ -	$ -
Plus unamortized premium	13,053	-	(13,053)	-	-
General obligation bonds, net	3,313,053	-	(3,313,053)	-	-
Certificates of participation	5,061,581	-	(441,580)	4,620,001	375,000
Capital leases	1,585,115	-	(398,430)	1,186,685	413,757
Claims payable	464,775	258,542	(184,625)	538,692	243,595
Compensated absences	1,261,566	716,197	(835,689)	1,142,074	685,244
Landfill postclosure costs	947,893	-	(80,262)	867,631	129,116
Net pension liability	6,699,338	2,690,971	(2,813,039)	6,577,270	-
Net OPEB obligation	674,200	162,558	(31,262)	805,496	-
Governmental activities Long-term liabilities	$ 20,007,521	$ 3,828,268	$ (8,097,940)	$ 15,737,849	$ 1,846,712

For governmental activities, compensated absences, landfill postclosure costs, net pension liability 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, 2015:

	Governmental Activities
Machinery and equipment	$ 2,389,690
Buildings	1,500,000
Less accumulated depreciation	(1,454,501)
Carrying value	$ 2,435,189

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Current year deprecation of assets under capital lease totaled $189,000 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,		
2016	$	458,397
2017		458,397
2018		180,817
2019		180,817
Total minimum lease payments		1,278,428
Less amount representing interest		91,743
Present value of future minimum lease payments	$	1,186,685

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. The bonds were paid off during the year ended June 30, 2015.

NOTE 7. 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 (2) 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 7. 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, 2015, the floating rate being paid by the County is 0.33% and the market value of this agreement is $681,640, an increase of $104,456 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, 2015 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
2016	$ 375,000	$ 206,526
2017	390,000	189,005
2018	420,000	170,488
2019	450,000	150,690
2020	485,001	129,610
2021-2025	-	485,860
2026-2030	2,500,000	475,000
Total	$ 4,620,001	$ 1,807,179

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, 2015, the County has a remaining 10 years of monitoring. Engineering studies estimate postclosure costs of approximately $867,631 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, 2015. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Water Authority

The following is a summary of long-term debt activity for the Water Authority for the year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2008	$ 11,360,000	$ -	$ (8,945,000)	$ 2,415,000	$ 255,000
Deferred amounts:					
Discount	(39,551)	-	31,521	(8,030)	-
Bonds payable, Series 2015	-	9,580,000	-	9,580,000	30,000
Deferred amounts:					
Premium	-	889,114	-	889,114	-
Total bonds payable	11,320,449	10,469,114	(8,913,479)	12,876,084	285,000
Compensated absences	15,680	9,485	(8,935)	16,230	9,738
Water Authority Long-term liabilities	$ 11,336,129	$ 10,478,599	$ (8,922,414)	$ 12,892,314	$ 294,738

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 were 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.

Advanced Refunding. On March 18, 2015, the Water Authority issued $9,580,000 in revenue bonds, Series 2015. The bonds were issued and the proceeds were used to refund $8,805,000 of outstanding Water Authority bonds, Series 2008, and to pay certain issuance costs. In connection with the issuance of bonds, a premium of $889,114 was recorded and is being amortized over the life of the bonds. As of June 30, 2015, the unamortized premium was $889,114.

In the current year, advance refunding resulted in book losses that are being amortized over the original remaining life of the old bonds that were defeased. The unamortized losses at June 30, 2015 are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of $74,734 has been included in interest expense for the year ended June 30, 2015. As of June 30, 2015, the County's outstanding in-substance defeased debt totaled $8,805,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Revenue bonds outstanding at June 30, 2015, are as follows:

Revenue Bonds Payable (Continued)

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Water Authority-Series 2008	4.00%	20 years	2019	$ 11,380,000	$ 2,415,000
Water Authority-Series 2015	2.00 - 4.00%	13 years	2028	$ 9,580,000	$ 9,580,000
	Less unamortized discount				(8,030)
	Plus unamortized premium				889,114
					$ 12,876,084

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

Fiscal year ending June 30,	Principal	Interest
2016	$ 285,000	$ 410,332
2017	475,000	421,288
2018	605,000	398,438
2019	710,000	368,312
2020	810,000	331,694
2021-2025	4,705,000	1,210,438
2026-2029	4,405,000	350,413
Total	$ 11,995,000	$ 3,490,915

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 77,706
General Fund	2008 SPLOST Capital Projects Fund	6,204
Nonmajor governmental funds	General Fund	25,738
Fire District Fund	General Fund	45,103
Fire District Fund	Nonmajor governmental funds	125,812
2008 SPLOST Capital Projects Fund	General Fund	355
		$ 280,918

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	$ 679,774
Nonmajor governmental funds	Fire District Fund	50,000
Fire District Fund	Nonmajor governmental funds	222,874
Nonmajor governmental funds	General Fund	846,733
		$ 1,799,381

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

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description

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

Plan Membership

As of January 1, 2014, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	115
Terminated plan participants entitled to but not receiving benefits	152
Active employees participating in the Plan	399
Total number of Plan Participants	666

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the year ended June 30, 2015, the County's contribution rate was 9.10% of annual payroll. County contributions to the Plan were $1,334,262 for the year ended June 30, 2015.

Net Pension Liability of the County

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

Actuarial Assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.50% - 5.0%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
S&P 500	30.00%	3.22%
Barlay's Agg.	30.00	2.34
MSCI EAFE	15.00	1.43
Citi Non US WEBI	5.00	0.27
NARREIT Equity	5.00	0.57
Russell 2000	5.00	0.47
Russell 3000	5.00	0.53
S&P Mid Cap	5.00	0.66
Total	100%	

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

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	$ 26,875,745	$ 20,176,407	$ 6,699,338
Changes for the year:			
Service cost	460,213	-	460,213
Interest	2,015,681	-	2,015,681
Contributions—employer	-	1,334,262	(1,334,262)
Net investment income	-	1,430,252	(1,430,252)
Benefit payments, including refunds of employee contributions	(1,342,527)	(1,294,002)	(48,525)
Administrative expense	-	(67,301)	67,301
Other changes	-	(147,776)	147,776
Net changes	1,133,367	1,255,435	(122,068)
Balances at June 30, 2015	$ 28,009,112	$ 21,431,842	$ 6,577,270

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.50 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's net pension liability	$ 10,103,050	$ 6,577,270	$ 3,638,996

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (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 continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Calculations are based on the substantive plan in effect as of December 31, 2014 and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2015, the County recognized pension expense of $1,033,101. At June 30, 2015, the County reported a deferred outflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net investment income	$ 80,135
Other changes in assumptions	98,958
Total	$ 179,093

Year ending June 30:	
2016	$ 44,773
2017	44,773
2018	44,773
2019	44,774
Total	$ 179,093

NOTE 9. DEFINED BENEFIT PENSION PLAN

B. Health Department – Component Unit

Plan Description

The Employees' Retirement System of Georgia (ERS), is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees' Retirement System of Georgia. The ERS is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standard Law and the funding policy adopted by the Board of Trustees. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained at www.ers.ga.gov.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Contributions and Vesting

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The state is required to contribute at a specified percentage of active member payrolls, determined annually by actuarial valuation. The state contributions are not at any time refundable to the member or his/her beneficiary.

Employer and nonemployer contributions as a percentage of covered payroll required for fiscal year 2014 were based on the June 30, 2011 actuarial valuation of the Old Plan, New Plan, and GSEPS as follows:

	Old plan	New plan	GSEPS
Employer and nonemployer			
Normal	1.51 %	6.26 %	2.98 %
Employer paid for member	4.75	-	-
Accrued liability	12.20	12.20	12.20
Total	18.46 %	18.46 %	15.18 %

Members become vested after ten years of membership service. Upon termination of employment, member contributions with accumulated interest are refundable upon request by the member. However, if an otherwise vested member terminates and withdraws his/her member contributions, the member forfeits all rights to retirement benefits. Total employer contributions to the pension plan for the year ended June 30, 2015, were $125,554 based on qualifying salaries of $584,105.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

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

At June 30, 2015 the Health Department reported a liability of $873,556 for its proportionate share of the collective net pension liability. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The Health Department's proportion of the collective net pension liability was based on its share of contributions to the pension plan relative to the total employer contributions of all participating ERS employers. At June 30, 2014, the Health Department's proportion was .023291%, which was an increase (decrease) of .000410% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Health Department recognized pension expense of $96,811. At June 30, 2015, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	213,208
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,244
Employer contributions subsequent to measurement date	125,554	-
Total	$ 125,554	$ 225,452

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

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

The $225,452 reported as deferred outflows of resources related to pensions resulting from Health Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Principal
2016	$ (60,955)
2017	(57,894)
2018	(53,302)
2019	(53,301)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	5.45 - 9.25%, including inflation
Investment rate of return	7.50%, net pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large stocks	39.70	6.50
Domestic mid stocks	3.70	10.00
Domestic small stocks	1.60	13.00
Developed market stocks	18.90	6.50
International emerging market stocks	6.10	11.00
Total	100%	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employers' proportionate share net pension liability	$ 1,273,819	$ 873,556	$ 532,840

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS Comprehensive Annual Report for the fiscal year ended June 30, 2014. The supporting actuarial information is included in the GASB Statement No. 67 Report for the ERS prepared as of June 30, 2014. The auditor's report dated October 31, 2014 on the total pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the sum of all participating entities as of June 30, 2014, along with supporting schedules is also available. The additional financial and actuarial information is available at www.ers.ga.gov.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The Spalding County Money Purchase Pension Plan (the Plan) is a single employer defined contribution plan established and administered by the Spalding County Board of Commissioners for substantially all of its full time employees. The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Spalding County Board of Commissioners. At June 30, 2015, there were 295 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, 2015, the County's contribution to the Plan was $171,182. The amount contributed by employees was $689,394.

NOTE 11. 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, 2015. 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, 2015. 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, five employees are enrolled in post-retirement health care benefits.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the post-retirement benefit plan as of June 30, 2015.

Active members	456
Retired members	9
	465

Contributions

The County contributed $31,262 to the post-retirement benefit plan in fiscal year 2015. 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 post-retirement 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
7/1/14	$ 162,558	$ 31,262	19 %	$ 805,496
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, 2015 are as follows:

	June 30, 2015
Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 169,877
Interest on Net OPEB Obligation	30,610
Amortization of Net OPEB Obligation	(37,929)
Annual OPEB Cost	$ 162,558

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual Pension Cost (Continued)

Derivation of Net OPEB Obligation		
Annual OPEB Cost	$	162,558
Actual Contributions to Plan		31,262
Increase in Net OPEB Obligation		131,296
Net OPEB Obligation as of Beginning of Year		674,200
Net OPEB Obligation as of End of Year	$	805,496

As of the most recent valuation date, June 30, 2015, the funded status of the post-retirement 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
6/30/2015	$ -	$ 1,375,692	$ 1,375,692	0.0%	$ 20,935,577	6.6%

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, 2015.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. 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, 2015. The assumptions used in the June 30, 2015 actuarial valuation are as follows:

Basis of Valuation	
Current Valuation Date	June 30, 2015
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	2029
Amortization Method	Level Dollar (Open)
Remaining Amortization Period	30 years

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

NOTE 12. RISK MANAGEMENT

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

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

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

NOTE 12. RISK MANAGEMENT (CONTINUED)

The County has joined together with other 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 $538,692 as of June 30, 2015, of the Workers' Compensation Trust Fund is based on the requirements of Governmental Accounting Standards Board Statement 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

Changes in the balances of claims liabilities for the Workers' Compensation Trust Fund in fiscal year 2015 and 2014 were as follows:

Workers' Compensation Trust Fund	June 30, 2015	June 30, 2014
Unpaid claims, beginning of fiscal year	$ 464,775	$ 727,773
Expenses incurred	258,542	237,214
Payments disbursed	(184,625)	(500,212)
Unpaid claims, end of fiscal year	$ 538,692	$ 464,775

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

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

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2015, the County, jointly with the City of Griffin, provided funding for the Griffin-Spalding County Airport (the "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 2015 was $126,071.

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, 2015, the County paid $40,485 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC. The RC Board membership is made up of representatives appointed by each county seat and respective county government member and also includes private citizen and minority representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Information concerning the financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

NOTE 15. JOINTLY GOVERNED ORGANIZATION

Land Bank Authority

During the year ended June 30, 2006, the County, along with the City of Griffin, entered into an 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 2015 was $59,000. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the year ended June 30, 2015, 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, 2015, the County collected $121,465 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2015 was used for the promotion of tourism.

NOTE 17. CHANGES IN ACCOUNTING PRINCIPLES

As discussed in Note 9, the County and the Health Department implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. The new standards significantly changed the County and the Health Department's accounting for pension amounts. As a result of these changes in accounting principles, the County and Health Department were required to restate beginning net position for the following opinion units as shown below:

Governmental Activities:

Net position, as previously reported	$	105,382,137
Restatement for implementation of GASB Statement No. 68:		
Net pension liability as of June 30, 2014		(6,699,338)
Removal of previously reported net pension obligation, under GASB Statement No. 27		275,494
Net position, restated	$	98,958,293

Health Department:

Net position, as previously reported	$	955,267
Effect of restatement:		
Net pension liability		(1,150,126)
Deferred outflows of pension contributions		96,811
Net position, restated	$	(98,048)

REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

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
6/30/2013	$ -	$ 1,375,692	$ 1,375,692	0.0 %	$ 20,935,577	6.6 %
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.

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total pension liability	
Service cost	$ 460,213
Interest on total pension liability	2,015,681
Changes of benefit terms	
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	(1,342,527)
Net change in total pension liability	1,133,367
Total pension liability - beginning	26,875,745
Total pension liability - ending (a)	$ 28,009,112
Plan fiduciary net position	
Contributions - employer	$ 1,334,262
Net investment income	1,430,252
Benefit payments, including refunds of employee contributions	(1,294,002)
Administrative expenses	(67,301)
Other	(147,776)
Net change in fiduciary net position	1,255,435
Plan fiduciary net position - beginning	20,176,407
Plan fiduciary net position - ending (b)	$ 21,431,842
County's net pension liability - ending (a) - (b)	$ 6,577,270
Plan fiduciary net position as a percentage of total pension liability	76.52%
Covered-employee payroll	14,657,303
County's net pension liability as a percentage of covered -employee payroll	44.87%

Notes to the Schedule

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

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY CONTRIBUTIONS

	2015	2014
Actuarially determined contribution	$ 1,216,126	$ 1,261,531
Contributions in relation to the actuarially determined contribution	1,334,262	1,261,531
Contribution deficiency (excess)	$ (118,136)	$ -
Covered-employee payroll	14,657,303	15,053,439
Contributions as a percentage of Covered-employee payroll	9.10%	8.38%

Notes to the Schedule

Valuation Date	January 1, 2014
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	3.55% - 5.50% (including 3.0% inflation)
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

Health Department – Component Unit

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2015
Proportion of the net pension liability	0.23291%
Proportionate share of the net pension liability	$ 873,556
Covered-employee payroll	$ 539,749
Proportionate share of the net pension liability as a percentage of covered-employee payroll	1.62%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution	$ 125,554
Contributions made in relation to the contractually required contribution	(125,554)
Contribution deficit (excess)	$ -
Covered-employee payroll	$ 584,105
Contributions made as a percentage of covered-employee payroll	21.50%

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.

Senior Nutrition Fund — To account for the revenues and expenditures applicable to the Federal Area Agency on Aging grant that provides congregate meals to senior citizens and home delivered meals to home bound seniors.

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, 2015

	Special Revenue			
ASSETS	**Community Services Block Grant**	**Emergency 911**	**Confiscated Assets**	**Law Library**
Cash and cash equivalents	$ 996	$ 212,965	$ 354,181	$ 69,147
Investments	-	-	-	-
Accounts receivable	-	146,750	-	4,594
Due from other governments	22,816	-	-	-
Due from other funds	-	14,867	-	-
Total assets	$ 23,812	$ 374,582	$ 354,181	$ 73,741
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 2,384	$ 6,952	$ -	$ 74
Accrued liabilities	1,201	16,029	-	-
Due to other funds	-	-	-	-
Total liabilities	3,585	22,981	-	74
FUND BALANCES				
Restricted for:				
Grant purposes	20,227	-	-	-
Judicial	-	-	-	73,667
Public safety	-	351,601	354,181	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	20,227	351,601	354,181	73,667
Total liabilities and fund balances	$ 23,812	$ 374,582	$ 354,181	$ 73,741

				Debt Service		Capital Projects
Senior Nutrition	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	Capital Projects General
$ -	$ 483,655	$ 227,718	$ 4,482	$ 570,704	$ 761,535	$ 157,108
-	-	-	-	1,088,251	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,746	-
-	-	10,871	-	-	-	-
$ -	$ 483,655	$ 238,589	$ 4,482	$ 1,658,955	$ 767,281	$ 157,108
$ 325	$ 6,880	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	1,823	-	-	-	-
325	6,880	1,823	-	-	-	-
-	-	-	-	-	-	-
-	-	236,766	4,482	-	-	-
-	-	-	-	-	-	-
-	476,775	-	-	-	-	-
-	-	-	-	854,873	767,281	-
-	-	-	-	804,082	-	-
-	-	-	-	-	-	157,108
(325)	-	-	-	-	-	-
(325)	476,775	236,766	4,482	1,658,955	767,281	157,108
$ -	$ 483,655	$ 238,589	$ 4,482	$ 1,658,955	$ 767,281	$ 157,108

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS	Capital Projects			Total
	Impact Fees	CDBG Highland Mills Sewer Grant	Capital Projects 2005 SPLOST	
Cash and cash equivalents	$ 1,519,464	$ -	$ 500,002	$ 4,861,957
Investments	-	-	-	1,088,251
Accounts receivable	-	-	-	151,344
Due from other governments	-	-	-	28,562
Due from other funds	-	-	-	25,738
Total assets	$ 1,519,464	$ -	$ 500,002	$ 6,155,852
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 16,615
Accrued liabilities	-	-	-	17,230
Due to other funds	201,695	-	-	203,518
Total liabilities	201,695	-	-	237,363
FUND BALANCES				
Restricted for:				
Grant purposes	-	-	-	20,227
Judicial	-	-	-	314,915
Public safety	-	-	-	705,782
Culture and recreation	-	-	-	476,775
Capital projects	1,317,769	-	500,002	3,439,925
Debt service	-	-	-	804,082
Assigned for:				
Capital projects	-	-	-	157,108
Unassigned	-	-	-	(325)
Total fund balances (deficit)	1,317,769	-	500,002	5,918,489
Total liabilities and fund balances	$ 1,519,464	$ -	$ 500,002	$ 6,155,852

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue			
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library
REVENUES				
Other taxes	$ -	$ -	$ -	$ -
Intergovernmental	136,511	-	-	-
Charges for services	-	1,067,290	-	-
Court fees, fines and forfeitures	-	-	381,312	27,332
Interest	-	-	165	100
Other	-	608	-	-
Total revenues	136,511	1,067,898	381,477	27,432
EXPENDITURES				
Current:				
General government	19,933	-	-	-
Judicial	35,294	-	-	100,385
Public safety	-	1,276,061	325,123	-
Health and welfare	67,184	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	122,411	1,276,061	325,123	100,385
Excess (deficiency) of revenues over (under) expenditures	14,100	(208,163)	56,354	(72,953)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	305,923	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	305,923	-	-
Net change in fund balances	14,100	97,760	56,354	(72,953)
FUND BALANCES, beginning of year	6,127	253,841	297,827	146,620
FUND BALANCES (DEFICIT), end of year	$ 20,227	$ 351,601	$ 354,181	$ 73,667

				Debt Service		Capital Projects
Senior Nutrition	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	Capital Projects General
$ -	$ 121,465	$ -	$ -	$ -	$ 3,485,344	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	56,044	-	-	-	-
-	-	101	-	142,586	27	-
-	-	-	-	-	-	-
-	121,465	56,145	-	142,586	3,485,371	-
325	-	-	-	-	-	-
-	-	12,849	2,788	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	81,376	-	-	-	-	-
-	-	-	-	-	3,300,000	-
-	-	-	-	128,751	132,013	-
325	81,376	12,849	2,788	128,751	3,432,013	-
(325)	40,089	43,296	(2,788)	13,835	53,358	-
-	-	-	-	570,810	-	20,000
-	-	-	-	(902,634)	-	-
-	-	-	-	(331,824)	-	20,000
(325)	40,089	43,296	(2,788)	(317,989)	53,358	20,000
-	436,686	193,470	7,270	1,976,944	713,923	137,108
$ (325)	$ 476,775	$ 236,766	$ 4,482	$ 1,658,955	$ 767,281	$ 157,108

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Capital Projects			
	Impact Fees	CDBG Highland Mills Sewer Grant	Capital Projects 2005 SPLOST	Total
REVENUES				
Other taxes	$ -	$ -	$ -	$ 3,606,809
Intergovernmental	-	-	-	136,511
Charges for services	279,752	-	-	1,347,042
Court fees, fines and forfeitures	-	-	-	464,688
Interest	-	-	-	142,979
Other	-	-	-	608
Total revenues	279,752	-	-	5,698,637
EXPENDITURES				
Current:				
General government	10,197	-	-	30,455
Judicial	-	-	-	151,316
Public safety	-	-	-	1,601,184
Health and welfare	-	-	-	67,184
Culture and recreation	-	-	-	-
Housing and development	-	-	-	81,376
Debt service:				
Principal	174,745	-	-	3,474,745
Interest	23,448	-	-	284,212
Total expenditures	208,390	-	-	5,690,472
Excess (deficiency) of revenues over (under) expenditures	71,362	-	-	8,165
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	896,733
Transfers out	-	(14)	-	(902,648)
Total other financing sources (uses)	-	(14)	-	(5,915)
Net change in fund balances	71,362	(14)	-	2,250
FUND BALANCES, beginning of year	1,246,407	14	500,002	5,916,239
FUND BALANCES (DEFICIT), end of year	$ 1,317,769	$ -	$ 500,002	$ 5,918,489

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, 2015

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	176,776	136,511	(40,265)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	176,776	136,511	(40,265)
EXPENDITURES			
Current:			
General government	19,880	19,933	(53)
Judicial	25,633	35,294	(9,661)
Public safety	-	-	-
Health and welfare	131,263	67,184	64,079
Housing and development	-	-	-
Total expenditures	176,776	122,411	54,365
Excess (deficiency) of revenues over (under) expenditures	-	14,100	14,100
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	14,100	14,100
FUND BALANCES, beginning of year	6,127	6,127	-
FUND BALANCES (DEFICIT), end of year	$ 6,127	$ 20,227	$ 14,100

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
1,077,154	1,067,290	(9,864)	-	-	-
-	-	-	375,000	381,312	6,312
-	-	-	-	165	165
-	608	608	-	-	-
1,077,154	1,067,898	(9,256)	375,000	381,477	6,477
-	-	-	-	-	-
-	-	-	-	-	-
1,408,815	1,276,061	132,754	375,000	325,123	49,877
-	-	-	-	-	-
-	-	-	-	-	-
1,408,815	1,276,061	132,754	375,000	325,123	49,877
(331,661)	(208,163)	123,498	-	56,354	56,354
305,923	305,923	-	-	-	-
305,923	305,923	-	-	-	-
(25,738)	97,760	123,498	-	56,354	56,354
253,841	253,841	-	297,827	297,827	-
$ 228,103	$ 351,601	$ 123,498	$ 297,827	$ 354,181	$ 56,354

(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, 2015

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	48,000	27,332	(20,668)
Interest	-	100	100
Other	-	-	-
Total revenues	48,000	27,432	(20,568)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	52,000	100,385	(48,385)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	52,000	100,385	(48,385)
Excess (deficiency) of revenues over (under) expenditures	(4,000)	(72,953)	(68,953)
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(4,000)	(72,953)	(68,953)
FUND BALANCES, beginning of year	146,620	146,620	-
FUND BALANCES (DEFICIT), end of year	$ 142,620	$ 73,667	$ (68,953)

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 115,000	$ 121,465	$ 6,465
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	115,000	121,465	6,465
-	325	(325)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	115,000	81,376	33,624
-	325	(325)	115,000	81,376	33,624
-	(325)	(325)	-	40,089	40,089
-	-	-	-	-	-
-	-	-	-	-	-
-	(325)	(325)	-	40,089	40,089
-	-	-	436,686	436,686	-
$ -	$ (325)	$ (325)	$ 436,686	$ 476,775	$ 40,089

(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, 2015

	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	56,044	(3,956)
Interest	-	101	101
Other	-	-	-
Total revenues	60,000	56,145	(3,855)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	80,000	12,849	67,151
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	80,000	12,849	67,151
Excess (deficiency) of revenues over (under) expenditures	(20,000)	43,296	63,296
OTHER FINANCING USES			
Transfers in	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(20,000)	43,296	63,296
FUND BALANCES, beginning of year	193,470	193,470	-
FUND BALANCES (DEFICIT), end of year	$ 173,470	$ 236,766	$ 63,296

Griffin Judicial Circuit Drug Court		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	2,788	(2,788)
-	-	-
-	-	-
-	-	-
-	2,788	(2,788)
-	(2,788)	(2,788)
-	-	-
-	-	-
-	(2,788)	(2,788)
7,270	7,270	-
$ 7,270	$ 4,482	$ (2,788)

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, 2015

	2008 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ 3,366,150	$ 3,485,344	$ 119,194
Interest	-	27	27
Total revenues	3,366,150	3,485,371	119,221
EXPENDITURES			
Debt service:			
Principal	3,300,000	3,300,000	-
Interest	66,150	132,013	(65,863)
Total expenditures	3,366,150	3,432,013	(65,863)
Excess (deficiency) of revenues over (under) expenditures	-	53,358	53,358
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	53,358	53,358
FUND BALANCES, beginning of year	713,923	713,923	-
FUND BALANCES, end of year	$ 713,923	$ 767,281	$ 53,358

GMA Lease Pool		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
150,000	142,586	(7,414)
150,000	142,586	(7,414)
-	-	-
129,750	128,751	999
129,750	128,751	999
20,250	13,835	(6,415)
500,560	570,810	70,250
(520,810)	(902,634)	(381,824)
(20,250)	(331,824)	(311,574)
-	(317,989)	(317,989)
1,976,944	1,976,944	-
$ 1,976,944	$ 1,658,955	$ (317,989)

SPALDING COUNTY, GEORGIA

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
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	20,000	20,000	-
FUND BALANCES, beginning of year	137,108	137,108	-
FUND BALANCES, end of year	$ 157,108	$ 157,108	$ -

Impact Fees			Capital Projects 2008 SPLOST		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 1,950,000	$ 796,492	$ (1,153,508)
-	-	-	-	-	-
180,180	279,752	99,572	-	-	-
-	-	-	-	307	307
180,180	279,752	99,572	1,950,000	796,799	(1,153,201)
72,000	10,197	61,803	1,500	1,100	400
-	-	-	1,188,000	304,851	883,149
1,003,195	-	1,003,195	15,100,000	1,224,899	13,875,101
174,875	174,745	130	-	-	-
23,470	23,448	22	1,200	1,518	(318)
1,273,540	208,390	1,065,150	16,290,700	1,532,368	14,758,332
(1,093,360)	71,362	1,164,722	(14,340,700)	(735,569)	13,605,131
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,093,360)	71,362	1,164,722	(14,340,700)	(735,569)	13,605,131
1,246,407	1,246,407	-	17,124,534	17,124,534	-
$ 153,047	$ 1,317,769	$ 1,164,722	$ 2,783,834	$ 16,388,965	$ 13,605,131

(Continued)

SPALDING COUNTY, GEORGIA

CAPITAL PROJECTS FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	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
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	(14)	(14)
-	(14)	(14)
-	(14)	(14)
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, 2015

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			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, 2015

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Acquisition, construction and development of property for the Griffin-Spalding Development Authority	$ 21,250,000	$ 21,250,000	$ 15,359,116	$ 478,302	$ 15,837,418
Acquisition, construction, improvements and additions to Griffin Technical College	7,000,000	7,000,000	-	560,479	560,479
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	27,465	40,103	67,568
Roads, streets, bridges and transportation improvements and equipment	8,274,197	8,274,197	3,027,637	148,632	3,176,269
City of Griffin	10,924,198	10,924,198	9,717,665	243,902	9,961,567
City of Orchard Hill	475,605	475,605	337,894	36,610	374,504
City of Sunny Side	100,000	100,000	45,153	24,340	69,493
Bond interest expense	3,326,000	3,326,000	2,893,227	132,013	3,025,240
	$ 54,000,000	$ 54,000,000	$ 31,534,307	$ 1,664,381	$ 33,198,688

Total expenditures:	
Capital Projects 2008 SPLOST Fund	$ 1,532,368
2008 SPLOST Debt Service Fund	3,432,013
Repayment of principal on debt. Proceeds included in projects above.	(3,300,000)
Total 2008 SPLOST expenditures	$ 1,664,381

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, 2015

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court
ASSETS				
Cash	$ 227,355	$ 89,772	$ 12,746	$ 292,515
Taxes receivable	3,407,608	-	-	-
Accounts receivable	22,524	-	-	-
Total assets	$ 3,657,487	$ 89,772	$ 12,746	$ 292,515
LIABILITIES				
Due to others	$ 3,657,487	$ 89,772	$ 12,746	$ 292,515

Correctional Institution	Sheriff	Total
$ 18,471	$ 279,788	$ 920,647
-	-	3,407,608
-	-	22,524
$ 18,471	$ 279,788	$ 4,350,779
$ 18,471	$ 279,788	$ 4,350,779

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Tax Commissioner				
ASSETS				
Cash	$ 198,968	$ 30,885,313	$ 30,856,926	$ 227,355
Taxes receivable	3,917,224	3,407,608	3,917,224	3,407,608
Accounts receivable	23,392	-	868	22,524
Total assets	$ 4,139,584	$ 34,292,921	$ 34,775,018	$ 3,657,487
LIABILITIES				
Due to others	$ 4,139,584	$ 34,292,921	$ 34,775,018	$ 3,657,487
Magistrate Court				
ASSETS				
Cash	$ 67,137	$ 458,186	$ 435,551	$ 89,772
LIABILITIES				
Due to others	$ 67,137	$ 458,186	$ 435,551	$ 89,772
Probate Court				
ASSETS				
Cash	$ 13,060	$ 80,452	$ 80,766	$ 12,746
LIABILITIES				
Due to others	$ 13,060	$ 80,452	$ 80,766	$ 12,746
Clerk of Superior Court				
ASSETS				
Cash	$ 294,850	$ 1,581,603	$ 1,583,938	$ 292,515
LIABILITIES				
Due to others	$ 294,850	$ 1,581,603	$ 1,583,938	$ 292,515

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Correctional Institution				
ASSETS				
Cash	$ 15,102	$ 304,827	$ 301,458	$ 18,471
LIABILITIES				
Due to others	$ 15,102	$ 304,827	$ 301,458	$ 18,471
Sheriff				
ASSETS				
Cash	$ 340,889	$ 139,178	$ 200,279	$ 279,788
LIABILITIES				
Due to others	$ 340,889	$ 139,178	$ 200,279	$ 279,788
Total Agency Funds				
ASSETS				
Cash	$ 930,006	$ 33,449,559	$ 33,458,918	$ 920,647
Taxes receivable	3,917,224	3,407,608	3,917,224	3,407,608
Accounts receivable	23,392	-	868	22,524
Total assets	$ 4,870,622	$ 36,857,167	$ 37,377,010	$ 4,350,779
LIABILITIES				
Due to others	$ 4,870,622	$ 36,857,167	$ 37,377,010	$ 4,350,779

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
COMPONENT UNIT - WATER AUTHORITY
JUNE 30, 2015

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 9,770,828
Accounts receivable	736,915
Due from primary government	2,040
Restricted assets, cash and cash equivalents	359,336
Total current assets	10,869,119
NONCURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	286,126
Capital assets, depreciable, net of accumulated depreciation	23,836,460
Total capital assets	24,122,586
Total noncurrent assets	24,122,586
Total assets	34,991,705
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	1,245,575
Total deferred outflows of resources	1,245,575
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	44,646
Accrued liabilities	3,600
Current portion of compensated absences payable	9,738
Current portion of bonds payable from restricted assets	285,000
Accrued interest	103,394
Total current liabilities	446,378
NONCURRENT LIABILITIES	
Compensated absences payable, net of current portion	6,492
Bonds payable, net of current portion	12,591,084
Total noncurrent liabilities	12,597,576
Total liabilities	13,043,954
NET POSITION	
Net investment in capital assets	11,246,502
Unrestricted	11,946,824
Total net position	$ 23,193,326

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OPERATING REVENUES	
Charges for services	$ 7,880,155
Total operating revenues	7,880,155
OPERATING EXPENSES	
Personal services and employee benefits	228,476
Contracted services	5,200,963
Material and supplies	129,079
Other operating expenses	70,442
Depreciation	683,994
Total operating expenses	6,312,954
Operating income	1,567,201
NON-OPERATING (EXPENSES)	
Interest expense	(616,097)
Bond issuance costs	(389,727)
Total non-operating (expenses)	(1,005,824)
Change in net position	561,377
NET POSITION, beginning of year	22,631,949
NET POSITION, end of year	$ 23,193,326

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	7,964,705
Payments to employees		(234,234)
Payments to suppliers for goods and services provided		(5,362,671)
Net cash provided by operating activities		2,367,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		(241,491)
Proceeds from issuance of bonds payable		10,469,114
Payment to refund bonds payable		(10,259,500)
Payments of bond issuance cost		(389,727)
Principal payments on long-term borrowings		(140,000)
Interest payments on long-term borrowings		(487,990)
Net cash used in capital and related financing activities		(1,049,594)
Net increase in cash and cash equivalents		1,318,206
Cash and cash equivalents, beginning of year		8,811,958
Cash and cash equivalents, end of year	$	10,130,164
Reconciliation to the statement of net position:		
Cash	$	9,770,828
Restricted cash		359,336
Total	$	10,130,164
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	1,567,201
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		683,994
Increase in accounts receivable		(37,832)
Decrease in due from primary government		122,382
Decrease in accounts payable		(5,758)
Increase in accounts payable		37,813
Net cash provided by operating activities	$	2,367,800

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 ..... **105 – 112**

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 ..... **113 – 118**

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

Debt Capacity ..... **119 – 122**

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 ..... **123 and 124**

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 ..... **125 – 127**

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				
	2006	2007	2008	2009	2010
Primary government:					
Governmental activities:					
Investment in capital assets	$ 39,672,516	$ 76,031,982 (1)	$ 84,301,495	$ 86,170,339	$ 85,388,780
Restricted	13,823,578	16,904,691	21,043,484	19,227,417	21,882,136
Unrestricted	1,324,148	1,486,098	1,083,258	(11,532,360)	(11,601,739)
Total primary government net position	$ 54,820,242	$ 94,422,771	$ 106,428,237	$ 93,865,396	$ 95,669,177

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

2011	2012	2013	2014	2015
$ 82,982,348	$ 82,563,218	$ 85,013,668	$ 84,742,325	$ 85,020,018
20,114,417	23,034,482	22,485,176	22,961,705	22,977,148
(9,704,012)	(7,948,212)	(6,712,169)	(2,321,893)	(4,259,173)
$ 93,392,753	$ 97,649,488	$ 100,786,675	$ 105,382,137	$ 103,737,993

SPALDING COUNTY, GEORGIA

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	$ 4,873,556	$ 5,333,341	$ 5,608,517	$ 6,640,547	$ 7,107,940
Judicial	4,916,979	5,002,948	5,482,736	4,584,031	4,528,384
Public safety	24,049,681	25,519,501	26,428,329	25,241,705	26,524,500
Public works	4,292,007	6,137,324	5,762,303	6,809,609	5,398,943
Health and welfare	632,146	872,270	1,117,554	911,148	1,095,175
Culture and recreation	2,734,673 (1)	2,942,031	3,006,773	2,731,539	2,643,500
Housing and development	1,234,684	1,958,546	2,953,544 (3)	17,475,860 (5)	4,522,298
Interest on long-term debt	770,271	911,715	841,040	982,324	1,145,336
Total primary government expenses	$ 43,503,997	$ 48,677,676	$ 51,200,796	$ 65,376,763	$ 52,966,076
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 2,144,069	$ 2,035,121	$ 2,095,676	$ 2,138,686	$ 1,983,902
Judicial	2,638,519	2,501,320	2,494,816	2,273,881	1,912,642
Public safety	5,761,881	5,360,736	5,238,813	4,835,871	5,968,936
Other activities	578,722	964,648	973,826	874,976	424,059
Operating grants and contributions	1,833,205	2,091,802	2,669,648	1,332,716	1,601,575
Capital grants and contributions	3,370,546	2,780,011	7,288,834 (4)	1,090,102	829,112
Total primary government program revenues	$ 16,326,942	$ 15,733,638	$ 20,761,613	$ 12,546,232	$ 12,720,226
Net (expense)/revenue					
Total primary government net expense	$ (27,177,055)	$ (32,944,038)	$ (30,439,183)	$ (52,830,531)	$ (40,245,850)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 19,157,931	$ 20,055,001	$ 21,553,608	$ 22,220,678	$ 23,667,798
Alcoholic beverage taxes	306,174	313,605	315,042	352,417	330,645
Vehicle taxes	1,653,825	1,734,970	1,828,660	1,759,125	1,670,521
Sales taxes	7,492,884	14,836,157 (2)	14,890,517	13,000,013	13,657,070
Intangible taxes	551,615	466,888	378,856	230,473	193,729
Insurance premium taxes	1,523,808	1,596,904	1,679,166	1,720,094	1,695,431
Hotel/motel taxes	109,543	118,899	110,198	99,947	89,395
Other taxes	481,477	530,756	554,588	501,048	508,020
Unrestricted investment earnings	820,495	1,774,030	1,134,014	391,847	229,070
Total primary government	$ 32,097,752	$ 41,427,210	$ 42,444,649	$ 40,275,642	$ 42,041,679
Change in Net Position					
Total primary government	$ 4,920,697	$ 8,483,172	$ 12,005,466	$ (12,554,889)	$ 1,795,829

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

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

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

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

(5) 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.

2011	2012	2013	2014	2015
$ 7,417,820	$ 7,236,133	$ 7,179,178	$ 7,034,101	$ 5,496,857
4,617,323	5,088,552	4,858,593	4,794,545	4,938,181
28,442,241	28,124,718	27,907,077	27,191,157	27,544,324
5,374,364	4,339,173	4,423,522	7,115,261	2,688,331
934,364	620,797	615,933	569,205	574,334
2,677,153	2,848,613	2,586,924	2,394,204	2,499,384
6,118,772	996,194	793,346	825,926	1,830,357
1,085,318	909,418	749,441	561,341	364,470
$ 56,667,355	$ 50,163,598	$ 49,114,014	$ 50,485,740	$ 45,936,238
$ 1,956,814	$ 2,203,046	$ 1,813,058	$ 1,787,846	$ 2,318,583
1,890,553	1,866,206	1,685,596	1,627,286	1,624,499
5,656,679	5,641,026	5,300,243	5,225,633	5,654,678
353,893	441,843	380,215	427,564	551,090
1,954,506	1,065,062	1,480,378	1,762,818	1,437,094
761,524	194,477	275,942	37,160	6,917
$ 12,573,969	$ 11,411,660	$ 10,935,432	$ 10,868,307	$ 11,592,861
$ (44,093,386)	$ (38,751,938)	$ (38,178,582)	$ (39,617,433)	$ (34,343,377)
$ 24,304,835	$ 23,803,917	$ 23,156,753	$ 24,660,616	$ 23,979,331
342,638	332,017	333,786	330,240	333,273
1,758,346	1,855,547	2,119,129	2,609,866	2,481,082
12,772,683	14,367,296	12,821,902	13,830,494	9,376,475
197,775	199,474	280,425	196,240	198,185
1,648,929	1,676,704	1,791,251	1,861,717	1,964,919
96,106	96,737	110,037	116,554	121,465
498,342	514,422	539,489	528,494	525,761
197,308	162,559	162,997	148,120	142,586
$ 41,816,962	$ 43,008,673	$ 41,315,769	$ 44,282,341	$ 39,123,077
$ (2,276,424)	$ 4,256,735	$ 3,137,187	$ 4,664,908	$ 4,779,700

SPALDING COUNTY, GEORGIA

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 1,488,223	$ 368,372	$ 854,839	$ 391,364	$ 193,337
Unreserved	9,781,428	7,441,021	5,760,262	3,736,485	4,310,343
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	11,269,651	7,809,393	6,615,101	4,127,849	4,503,680
All Other Governmental Funds					
Reserved, reported in					
Special revenue funds	983,692	2,837,624 (1)	817,703	1,017,770	119,813
Debt service funds	-	-	-	-	-
Capital projects funds	14,489,816	17,907,036	21,956,132	17,549,649	- (2)
Unreserved, reported in					
Special revenue funds	2,389,895	87,568	2,279,816	2,131,909	2,382,741
Debt service funds	-	980,585 (1)	1,645,495	2,488,738	5,133,237
Capital projects funds	-	-	-	-	15,937,937 (2)
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	17,863,403	21,812,813	26,699,146	23,188,066	23,573,728
Total Governmental Funds					
Reserved	16,961,731	21,113,032	23,628,674	18,958,783	313,150
Unreserved	9,781,428	8,509,174	9,685,573	8,357,132	27,764,258
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Governmental Funds	$ 26,743,159	$ 29,622,206	$ 33,314,247	$ 27,315,915	$ 28,077,408

(1) 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.

(2) Reserved fund balance in capital projects funds was reclassified to unreserved fund balance during 2010.

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

2011 (3)	2012	2013	2014	2015
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
2,622,751	1,625,609	1,428,381	1,524,540	1,734,488
899,412	1,289,814	396,132	1,138,875	1,562,527
-	2,915,423	1,824,513	2,663,415	3,297,015
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,353,846	24,058,981	23,348,779	24,150,690	23,903,282
304,984	325,324	257,207	137,122	157,108
(21,258)	(105,694)	(17,473)	-	(325)
21,637,572	24,278,611	23,588,513	24,287,812	24,060,065
-	-	-	-	-
-	-	-	-	-
21,353,846	24,058,981	23,348,779	24,150,690	23,903,282
2,927,735	1,950,933	1,685,588	1,661,662	1,891,596
878,154	1,184,120	378,659	1,138,875	1,562,202
$ 25,159,735	$ 27,194,034	$ 25,413,026	$ 26,951,227	$ 27,357,080

SPALDING COUNTY, GEORGIA

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

	2006	2007	2008	2009	2010
REVENUES					
Taxes	$ 31,391,376	$ 39,588,769	$ 41,016,163	$ 39,081,402	$ 41,747,867
Licenses and permits	643,804	494,594	506,669	257,521	284,908
Intergovernmental	2,841,753	2,572,835	2,828,096	2,386,769	2,032,718
Court fees, fines and forfeitures	2,470,363	2,459,784	2,340,361	1,989,226	1,931,150
Charges for services	6,715,987	6,553,279	6,559,966	6,161,406	6,464,925
Interest	818,728	1,749,835	1,110,755	370,041	180,614
Contributions and donations	34,036	45,438	49,377	35,570	70,532
Rentals	384,657	330,726	348,312	264,703	208,565
Other	880,230	1,023,563	1,059,998	1,451,037	1,401,023
Total Revenues	46,180,934	54,818,823	55,819,697	51,997,675	54,322,302
EXPENDITURES					
General government	4,356,176	5,327,181	4,404,695	5,552,819	5,596,919
Judicial	5,084,271	5,022,688	5,463,165	4,565,696	4,497,537
Public safety	23,379,707	24,570,875	25,399,762	24,802,278	25,556,186
Public works	3,765,135	5,495,926	4,139,302	5,182,092	4,025,335
Health and welfare	630,612	865,089	1,107,197	900,790	1,084,818
Culture and recreation	2,663,822	2,799,932	2,747,082	2,529,675	2,407,369
Housing and development	1,225,100	1,846,593	1,337,687	1,228,864	864,002
Intergovernmental	-	-	-	951,526 (2)	1,591,440
Capital outlay	2,553,455	3,396,770	4,693,677	24,171,588	5,990,744
Debt service					
Principal	997,681	4,053,946 (1)	4,408,523	4,292,719	809,430
Interest	551,625	950,671	816,256	680,715	1,137,029
Issuance costs	192,837	-	-	257,993	-
Total Expenditures	45,400,421	54,329,671	54,517,346	75,116,755	53,560,809
Excess of Revenues					
Over (Under) Expenditures	780,513	489,152	1,302,351	(23,119,080)	761,493
OTHER FINANCING SOURCES (USES)					
Transfers in	722,368	4,604,763	2,927,705	1,788,199	1,358,499
Transfers out	(721,278)	(4,604,763)	(2,927,705)	(1,788,199)	(1,358,499)
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	-	-	-	-	-
Total Other Financing Sources (Uses)	10,291,339	-	2,389,690	17,120,748	-
Net Change in Fund Balances	$ 11,071,852	$ 489,152	$ 3,692,041	$ (5,998,332)	$ 761,493
Debt Service as a Percentage					
of Noncapital Expenditures	4.18%	10.07%	10.10%	7.90%	3.87%

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

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

2011	2012	2013	2014	2015
$ 41,596,206	$ 43,300,961	$ 40,600,157	$ 44,079,395	$ 39,399,484
189,650	213,767	192,893	227,586	446,798
2,327,053	1,230,452	1,712,109	1,784,111	1,430,352
1,844,690	1,693,715	1,640,502	1,455,478	1,649,797
6,108,848	6,331,877	5,997,745	5,996,839	6,476,550
165,806	160,259	151,839	151,156	149,490
94,960	8,645	42,094	6,580	6,515
212,040	197,315	177,095	172,800	230,493
1,578,244	1,735,452	1,172,539	1,215,928	1,345,439
54,117,497	54,872,443	51,686,973	55,089,873	51,134,918
4,950,206	5,282,991	4,870,294	4,406,367	4,787,118
4,594,667	4,534,222	4,231,806	4,331,535	4,453,014
27,085,509	27,581,114	26,894,567	27,261,190	28,032,298
3,901,205	3,697,648	3,492,002	3,874,610	3,291,378
924,007	620,797	614,442	570,127	572,952
2,488,999	2,761,468	2,417,196	2,265,625	2,596,783
847,846	795,127	779,043	882,691	859,778
2,037,115	1,481,675	1,760,066	2,278,890	304,851
5,344,462	1,255,926	3,591,788	2,954,068	1,259,214
3,747,348	3,891,216	4,036,121	4,081,346	4,140,010
1,113,806	935,960	780,656	645,223	431,669
-	-	-	-	-
57,035,170	52,838,144	53,467,981	53,551,672	50,729,065
(2,917,673)	2,034,299	(1,781,008)	1,538,201	405,853
812,285	1,535,051	1,309,771	1,636,593	1,799,381
(812,285)	(1,535,051)	(1,309,771)	(1,636,593)	(1,799,381)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ (2,917,673)	$ 2,034,299	$ (1,781,008)	$ 1,538,201	$ 405,853
8.63%	9.57%	9.89%	9.12%	9.62%

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	
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	1,561,766,019	117,213,357	358,789	188,380,545	1,490,957,620
2012	1,542,200,988	115,540,343	310,999	220,133,898	1,437,918,432
2013	1,496,466,739	121,069,324	650,043	220,097,899	1,398,088,207
2014	1,479,667,506	125,820,159	309,703	200,203,913	1,405,593,455
2015	1,463,189,723	106,571,218	677,011	209,881,406	1,360,556,546

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 approximately 40 percent of actual value. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per $1,000 of assessed value.

Total Taxable Property		Assessed
Total Direct Tax Rate	Estimated Actual Value	Value as a Percentage of Actual Value
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	3,727,394,050	40%
15.01	3,594,796,080	40%
15.01	3,495,220,518	40%
16.01	3,513,983,638	40%
16.01	3,401,391,365	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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Spalding County direct rates:										
Unincorporated maintenance and operations	17.13	17.12	17.84	17.66	18.50	18.18	18.50	18.73	19.70	19.62
Sales tax reduction	(3.72)	(3.73)	(3.95)	(3.78)	(3.62)	(3.37)	(3.49)	(3.72)	(3.69)	(3.61)
Total direct rate	13.41	13.39	13.89	13.88	14.88	14.81	15.01	15.01	16.01	16.01
Municipal rates:										
City of Griffin:										
Maintenance and operations	8.63	8.63	8.60	8.64	8.64	8.64	8.64	8.64	8.64	8.40
City of Orchard Hill maintenance and operations	4.95	4.95	4.95	4.95	4.95	4.95	4.95	5.00	6.31	6.31
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.36	4.29	4.29	4.08	5.00	5.00
Fire protection (1)	4.81	4.81	4.83	4.82	5.04	5.98	5.92	6.00	6.10	6.22
Insurance premium rollback (1)	(1.76)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.75)	(1.83)	(1.93)	(2.05)
Board of Education	18.85	18.82	18.81	18.80	18.80	18.80	19.06	19.47	19.47	19.47
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.15	0.10
Total Unincorporated Spalding County	35.56	35.51	35.99	35.96	37.16	38.03	38.49	38.90	39.80	39.75
Total Municipalities:										
City of Griffin	41.14	41.09	41.55	41.57	42.57	42.50	42.96	43.37	44.24	43.98
City of Orchard Hill	37.46	37.41	37.90	37.88	38.88	38.81	39.27	39.73	41.94	41.89
City of Sunny Side	36.87	36.82	37.31	37.29	38.29	38.15	38.61	38.81	40.63	40.58

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 2015		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Caterpillar, Inc.	Power generation systems	$ 96,001,083	1	7.06%
Tenet/Spalding Regional Hospital	Hospital	40,963,679	2	3.01%
Exopac	Flexible packaging manufacturing	27,509,813	3	2.02%
Wal-Mart Stores, Inc.	Retail	22,215,417	4	1.63%
Norcom	Office/school products manufacturing	60,031,173	5	4.41%
Pulte Home Corporation	Residential development	21,488,821	6	1.58%
Kroger	Retail grocery	20,809,062	7	1.53%
Central Georgia EMC	Public utility	17,559,492	8	1.29%
AEP Industries, Inc.	Packaging film manufacturing	32,026,609	9	2.35%
Norfolk Southern Corporation	Public utility	14,354,371	10	1.06%
NACOM	Automotive components	-	-	-
Springs Industries	Textile manufacturing	-	-	-
Hoshizaki	Commercial refrigeration systems	-	-	-
Cooper-Standard Products	Automotive components	-	-	-
Ware Industries, Inc.	Steel framing products	-	-	-
Halpern Enterprises	Commercial real estate	-	-	-
Total		$ 352,959,520		25.94%

SOURCE:
Spalding County Tax Commissioner's Office.

	Fiscal Year 2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
$	118,934,501	1	8.88%
	26,397,222	5	1.97%
	-		-
	21,682,796	7	1.62%
	-		-
	-		-
	-		-
	-		-
	28,839,216	4	2.15%
	-		-
	94,568,872	2	7.06%
	51,101,461	3	3.82%
	25,849,441	6	1.93%
	20,783,217	8	1.55%
	20,441,484	9	1.53%
	17,066,031	10	1.27%
$	425,664,241		31.79%

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
2006	$ 17,956,154	$ 17,405,961	96.94%	$ 529,987	$ 17,935,948	99.89%
2007	18,579,360	18,130,563	97.58%	402,405	18,532,968	99.75%
2008	18,283,956	17,391,752	95.12%	821,776	18,213,528	99.61%
2009	18,746,679	17,690,387	94.37%	921,765	18,612,152	99.28%
2010	20,053,526	18,706,433	93.28%	1,233,384	19,939,817	99.43%
2011	22,083,828	20,155,597	91.27%	1,035,508	21,191,105	95.96%
2012	21,583,364	20,165,501	93.43%	958,326	21,123,827	97.87%
2013	20,986,164	19,551,976	93.17%	969,047	20,521,023	97.78%
2014	22,504,182	21,422,273	95.19%	639,009	22,061,282	98.03%
2015	21,782,510	19,683,567	90.36%	-	19,683,567	90.36%

SOURCE:

Spalding County Tax Commissioner's Office

SPALDING COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Certificates of Participation	Capital Lease Obligations	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2006	$ 10,250,000	$ 7,789,209	$ 2,199,850	$ 20,239,059	1.25%	331
2007	7,059,361	7,511,156	1,638,957	16,209,474	0.97%	262
2008	3,591,651	7,220,170	3,004,706	13,816,527	0.81%	220
2009	15,610,958	6,910,956	4,101,201	26,623,115	1.54%	418
2010	15,591,377	6,583,362	3,619,365	25,794,104	1.49%	402
2011	12,671,796	6,237,305	3,118,074	22,027,175	1.26%	344
2012	9,652,215	5,867,627	2,596,536	18,116,378	0.98%	283
2013	6,532,634	5,474,116	2,053,926	14,060,676	0.77%	220
2014	3,313,053	5,061,581	1,585,115	9,959,749	0.54%	156
2015	-	4,620,000	1,186,684	5,806,684	0.30%	91

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 Demographic and Economic Statistics for personal income and population data.

SPALDING COUNTY, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Bonded Debt Per Capita (3)
2006	$ 10,250,000	-	$ 10,250,000	0.31%	168
2007	7,059,361	181,057	6,878,304	0.20%	111
2008	3,591,651	4,376	3,587,275	0.10%	57
2009	15,610,958	652,635	14,958,323	0.40%	235
2010	15,591,377	3,535,875	12,055,502	0.32%	188
2011	12,671,796	1,415,162	11,256,634	0.30%	176
2012	9,652,215	3,673,987	5,978,228	0.17%	93
2013	6,532,634	1,313,912	5,218,722	0.15%	82
2014	3,313,053	713,923	2,599,130	0.07%	41
2015	-	-	-	0.00%	-

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,			
	2006	2007	2008	2009
Debt limit	$ 154,600,647	$ 157,114,254	$ 166,448,056	$ 169,533,396
Total net debt applicable to limit	10,250,000	7,059,361	7,035,000	3,580,000
Legal debt margin	$ 144,350,647	$ 150,054,893	$ 159,413,056	$ 165,953,396
Total net debt applicable to the limit as a percentage of debt limit	6.63%	4.49%	4.23%	2.11%

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.

2010	2011	2012	2013	2014	2015
$ 170,235,558	$ 167,952,360	$ 165,806,624	$ 160,438,300	$ 160,583,679	$ 157,043,795
15,500,000	15,500,000	12,600,000	9,600,000	6,500,000	-
$ 154,735,558	$ 152,452,360	$ 153,206,624	$ 150,838,300	$ 154,083,679	$ 157,043,795
9.11%	9.23%	7.60%	5.98%	4.05%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	$ 1,570,437,952
Debt limit (10% of assessed value)	157,043,795
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	-
Legal debt margin	$ 157,043,795

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)
2006	61,091	(4)	$ 1,613,239	$ 26,407	10,833	6.70%
2007	61,971		1,678,278	27,082	10,967	5.80%
2008	62,682		1,708,085	27,250	10,953	8.50%
2009	63,651		1,734,138	27,244	10,823	16.30%
2010	64,135		1,728,433	26,950	10,860	14.70%
2011	64,085		1,743,202	27,201	10,685	14.40%
2012	64,118		1,856,770	28,959	10,614	12.90%
2013	63,799		1,834,854	28,760	10,582	12.20%
2014	63,741		1,859,601	29,174	10,626	9.90%
2015	63,988		1,936,518	30,264	10,474	8.10%

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

SPALDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

		Fiscal Year 2015			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	1,457	1	4.91 %	1,650	1	5.18 %
Caterpillar, Inc.	Automotive generators	900	2	3.04	-		-
Spalding Regional Medical Center	Healthcare	900	3	3.04	900	2	2.83
Spalding County	Government	646	4	2.18	469	6	1.47
CareMaster Medical	Home Nursing	600	5	2.02	-		-
City of Griffin	Government	466	8	1.57	480	5	1.51
University of Georgia Griffin Campus	Agricultural research education	405	6	1.37	250	9	0.79
Southern Crescent Technical College	Education	360	7	1.21	365	7	1.15
Norcom	School supplies	280	9	0.94	-		-
AEP Industries, Inc.	Packaging film	250	10	0.84	240	10	0.75
1888 Mills/Southern Terry	Terry cloth towels		-	-	350	8	1.10
NACOM Corporation	Automotive electronics	-	-	-	850	3	2.67
Springs Industries	Finished cotton goods	-	-	-	850	4	2.67
Totals		6,264		21.13 %	6,404		20.12 %

SOURCE:

Griffin-Spalding County Development Authority

SPALDING COUNTY, GEORGIA

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	139	144	147	148	147	147	150	147	141	139
Public Safety										
Sheriff										
Officers	62	70	70	67	84	83	85	76	76	77
Civilians	33	35	35	35	37	35	40	38	35	38
Corrections	76	81	80	79	71	71	70	79	79	80
Correctional Institution										
Officers	70	76	77	77	78	78	78	77	77	74
Civilians	7	6	6	7	7	7	7	6	6	6
Fire										
Firefighters	65	68	68	68	80	78	82	81	81	82
Civilians	2	2	2	2	2	2	2	1	1	1
Public Works										
Streets and Highways	27	31	30	30	30	30	30	30	30	27
Solid Waste	17	17	17	17	17	17	17	10	10	9
Culture and Recreation	36	36	40	42	38	37	38	36	34	31
Total	534	566	572	572	591	585	599	581	570	564

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Sheriff:										
Physical arrests	5,002	2,705	3,412	3,066	3,154	2,831	2,477	1,124	1,019	1,764
Traffic violations	2,188	2,158	2,160	1,625	1,114	1,269	1,397	1,528	1,125	679
Fire District:										
Calls answered	1,613	1,624	1,524	1,379	1,374	1,710	1,619	1,734	1,747	2,379
Inspections	197	235	277	234	448	394	311	267	390	265
Public Works										
Street resurfacing (miles)	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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	36	37	40	42	43	45	45	53	40	48
Fire District:										
Fire stations	6	6	6	6	7	7	7	7	7	7
Fire trucks	10	10	13	12	13	11	9	11	9	10
Public Works										
Roads (miles)	418	431	438	438	440	445	446	447	448	451
Culture and Recreation										
Parks acreage	483	483	485	497	497	509	509	509	509	509
Playgrounds	11	11	11	13	13	13	13	13	13	13
Baseball/Softball diamonds	19	19	19	20	20	20	20	20	20	20
Soccer fields	11	11	11	7	7	7	7	7	7	7
Football fields	2	2	2	2	2	3	3	3	2	2
Recreation centers	3	3	3	3	3	4	4	4	4	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	0	0	1	1	1	1	1	1	1	1
Walking trails	8	8	8	8	8	10	10	10	9	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	
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
2015	7,880,155	5,628,960	2,251,195	140,000	487,990	627,990	3.58

(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	8,247,100	$ 79,952	1.01 %
Spalding County Law Enforcement Complex	Government	2	14,251,100	137,638	1.74
Bova/Trimark Northside, LLC	Apartment homes	3	13,091,300	125,710	1.59
Brightmoor Health	Nursing home	4	7,672,700	74,120	0.94
Caterpillar, Inc.	Power generation systems	5	6,673,400	64,526	0.82
Spalding County Correctional Institution	Government	6	8,103,500	78,191	0.99
AEP Industries, Inc.	Packaging film	7	5,575,200	53,742	0.68
Sumika Polymer Compounds	Plastic compounds for automotive parts	8	3,727,600	35,926	0.45
Wolf Creek Homes	Town Homes	9	3,075,100	29,772	0.38
Pulte Homes	General Contractor	10	2,633,500	28,824	0.36
Total			73,050,500	$ 774,839	8.97 %

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
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
2015	12,656	754,504,640	7.06	8.83	9.67

SOURCE:

City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
SUMMARY OF WATER COSTS AND WHOLESALE WATER RATES PAID TO THE CITY OF GRIFFIN
LAST TEN FISCAL YEARS

Fiscal Year	Total Water Cost	Price per 1,000 Gallons (1)
2006	$ 2,400,634	$ 2.81
2007	3,170,282	4.17
2008	3,799,238	4.62
2009	4,063,828	5.37
2010	4,578,816	5.23
2011	4,834,510	6.01
2012	4,971,594	6.09
2013	4,880,469	6.51
2014	4,778,185	6.17
2015	4,698,232	6.29

SOURCE:
City of Griffin

(1) The significant rise in wholesale water rates in 2007 and later years is primarily due to an increase in debt service (and thus operating costs) of the City associated with the Still Branch Reservoir.

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT
SPALDING COUNTY WATER AUTHORITY
WATER CONNECTION FEES AND SEWER SERVICE RATES

Water Connection Fees (1)		Sewer Service Rates (2)	
Meter Size	Cost	Gallons	Sewer Service Rate
3/4"	$ 930	Up to 2,000	$ 21.60
1"	1,185		
2" or larger	1,000	Over 2,000	10.80 / 1,000 gallons
Fire lines	1,000		

SOURCE:

Spalding County Water Authority

(1) The current water tap fees have been in effect since 2006.

(2) The current sewer service rates have been in effect since inception of the sewer system.

IV. COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *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, 2015, 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 16, 2015. Our report includes references 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 changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*.

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 16, 2015

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015 due to the County not expending $500,000 or more of federal funds.

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 FISCAL YEAR ENDED JUNE 30, 2015

None reported.

MAULDIN & JENKINS

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, 2015, 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 16, 2015, 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 16, 2015

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Program Name	Contract Number	Contract Period	Due From State June 30, 2014	Revenue Received	Expenditures	Due From State June 30, 2015
Community Services Block Grant	427-040-000021848	October 2013 - September 2014	$ -	$ 58,825	$ 58,825	$ -
Community Services Block Grant	427-040-000035169	October 2014 - September 2015	35,214	77,686	65,288	22,816
			$ 35,214	$ 136,511	$ 124,113	$ 22,816