SPALDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE
FISCAL YEAR ENDED JUNE 30, 2016

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

SPALDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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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.
ASSISTANT COUNTY MANAGER
Eric L. Mosley
COUNTY ATTORNEY
James R. Fortune, Jr.

December 13, 2016

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, 2016.

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 the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, Spalding County's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of licensed certified public accountants, have issued an unmodified ("clean") opinion on Spalding County's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

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, 2016. The dollar threshold of applicability requiring a single audit is $750,000 of which the County's program expenditures did not meet.

P. O. BOX 1087 • GRIFFIN, GEORGIA 30224 • TEL. 770-467-4232 • FAX 770-467-4227
www.spaldingcounty.com

Profile of the government

Spalding County was created in 1851 by an act of the Legislature of the State of Georgia and is geographically located in the middle part of the state, approximately 40 miles south of Atlanta. Its land area encompasses approximately 200 square miles, and serves a population of 64,051. 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 and to the municipalities of Sunny Side and Orchard Hill on a yearly contractual basis.

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 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 5.8 percent in 2007 and as high as 16.30 percent in 2009. The current unemployment rate for Spalding County at June 30, 2016 is 6.7 percent; while the State of Georgia rate is 5.1 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 construction of a third industry in The Lakes at Green Valley, Georgia's first eco-friendly Industrial Park. Marukan Vinegar is constructing 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.

A collaborative effort with adjoining Butts County yielded the "Deal of the Year" for 2016 with the announcement of a one million square foot Dollar General Distribution facility being located on the Spalding/Butts County line. The new facility now under construction is an $85 million dollar investment that will create more than 500 jobs for the area and is anticipated to open in the fall of 2017.

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, opened their new 5,000 square foot Medical Office Complex in 2016 and is actively recruiting physicians to the community. Spalding Regional Hospital became part of the WellStar family of healthcare providers in 2016 and continues improving healthcare in our area. Southern Crescent Technical College 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 with construction beginning in the first quarter of 2017. The Griffin-Spalding County Board of Education, in cooperation with the Boards of Pike and Butts Counties, was issued a charter and a $2.1 million dollar grant for creation of a regional College and Career Academy to be located in Griffin. Permanent campus renovations of the former Spalding High School property adjacent to Southern Crescent Technical College are scheduled to be completed in 2017. The Academy had over 150 students enrolled for their 2016-17 year and operated through collaborative agreements with the UGA Griffin Campus and Southern Crescent Technical College for classroom space.

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 scheduled to open in January of 2017. 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. Construction continues on the new Turf Grass Facility at the UGA Griffin Campus exemplifying 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 is the first Sun City branded product in Georgia. Sun City Peachtree opened three new pods during 2016 and introduced a completely redesigned architecture. Spalding County is currently reviewing plans for four additional pods to open in early 2017. 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 Griffin-Spalding Airport Authority was formed in 2012 under an Intergovernmental Agreement (IGA) with Spalding County and the City of Griffin to provide financial support for airport operations. The County and the City 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 County and the City completed a Site Selection Study and selected a site north of Georgia Highway 16 near the new "Lakes at Green Valley" industrial park. Proximity to Interstate 75 is ideal to attract business and industry and to further enhance local economics 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 County and City will jointly fund the remaining 10 percent in local matching funds dependent on the amount of the Georgia Department of Transportation (GDOT) participation.

Airports, roadways, railways and water ways, are gateways to the community. Communities that invest in their gateways are the communities on the forefront of growth and development when opportunities present themselves. Private, non-commercial aviation is a growing industry in which flexibility, speed, and ease of access are the trends which industrial/business entities are depending upon more and more as they become efficient and global. The airport project, already well underway, is estimated at 5 to 6 years until completion.

In July of 2016, Spalding County and the City of Griffin created by Intergovernmental Agreement the Griffin-Spalding Business and Tourism Association (Association), a 501(c)(6), business league organization. The Association's purpose is to promote business, tourism, trade and conventions for Spalding County and the City of Griffin. The Association has provided tourism initiatives, brochures and other marketing materials and paid for training and conference registrations to increase awareness of Spalding County and the City of Griffin for both tourism and economic development purposes. The Association is solely devoted to economic development through business attraction and retention; tourism; redevelopment; and other special events and projects to promote the County and the City.

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, worked together in collaboration and completed a Joint City of Griffin-Spalding County Comprehensive Transportation Plan Update. The purpose of the CTP is to increase the use of alternatives to driving alone by developing a comprehensive transportation planning program that identifies specific transportation projects and other programs to improve mobility, system connectivity, expand mixed-uses, support further development and increase alternative modes of travel.

Voters overwhelmingly approved a six-year Special Purpose Local Option Sales Tax (SPLOST) in a November 2015 referendum and collection of the sales tax commenced on April 1, 2016. Revenues through the first seven months of collections have exceeded estimates and are anticipated to increase in the coming years. The City of Griffin and Spalding County issued general obligation 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. The SPLOST will 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 various 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 at the Spalding County 911 Center, equipment for a Senior Nutrition program, relocation of an 800 MHz tower and various transportation improvements. Many of the bonded projects have been completed and many are well underway at June 30th. The retirement of outstanding long-term debt, upgrades to the judicial system computers and software, upgrade of the telephone system at the 911 Center, and equipment purchases for the Senior Nutrition Program have all been completed. Work continues on park improvements and upgrades to the Computer Aided Dispatch (CAD) system at the 911 Center along with relocation of an 800 MHz tower.

Spalding County, 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 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). Fiscal year 2016 actual revenues were less than appropriations ($39,784,117 versus $40,683,739), however, no appropriation of fund balance was necessary to balance the budget since actual expenditures were less than appropriations ($38,273,310 versus $41,172,642). Spalding County saw an increase in total fund balance of $1,201,956 for fiscal year 2016.

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, 2015. This was the fifteenth 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.	Eric L. Mosley	Jinna L. Garrison, CPA
County Manager	Assistant County Manager	Administrative Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Spalding County

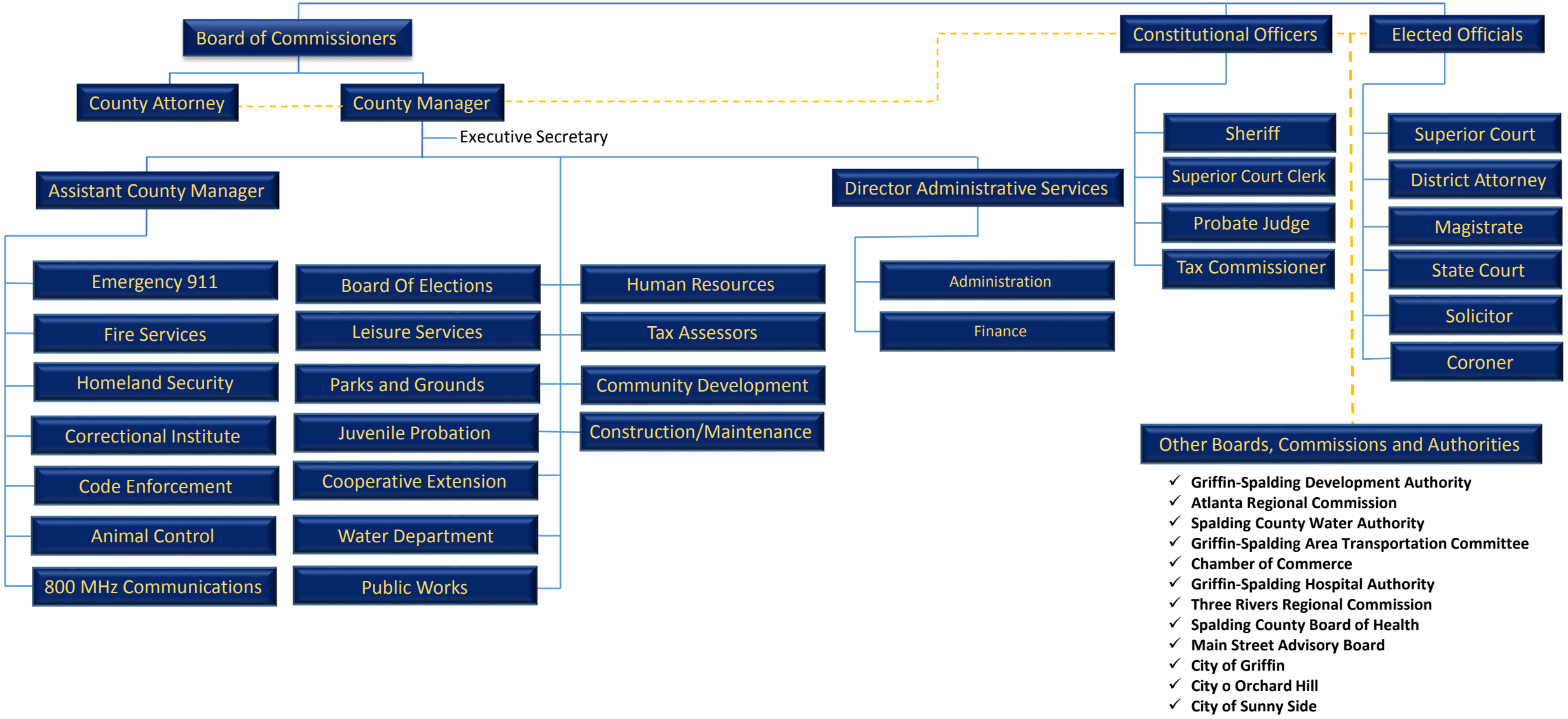
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

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, 2016

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, 2016, 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 $1,245,594 and $20,433,779, respectively, total net position of $201,630 and $20,406,310, respectively, and total revenues of $1,466,441 and $4,647,487, respectively, which collectively represent 37.86%, 46.38%, and 44.06%, 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, 2016, 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.

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 13), the Schedule of Funding Progress (page 77), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 78), the Schedule of County Contributions (page 79), the Schedule of Proportionate Share of the Net Pension Liability – Health Department (page 80), and the Schedule of Contributions – Health Department (page 80) 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 13, 2016, 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 13, 2016

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

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, 2016. 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, 2016, by $99,339,050 (net position). The County's total net position decreased by $4,398,943 during the year.
- The County's total long-term liabilities increased by $9,086,395 during the current fiscal year. This included an increase in the County's net pension liability of $1,782,204. Also, the County passed a Special Purpose Local Option Sales Tax in November 2015 and subsequently sold $8,800,000 in General Obligation bonds.
- At June 30, 2016, the County's governmental funds reported combined ending fund balances of $27,945,732, an increase of $588,652 or 2.15% in comparison with the prior year. Of this amount, $2,567,282 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2016, the County's General Fund reported an unassigned fund balance of $2,665,611.
- The County's 2008 SPLOST Capital Projects Fund closed fiscal year 2016 with a fund balance of $9,298,464. 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.
- The County's 2016 SPLOST Capital Projects Fund closed fiscal year 2016 with a fund balance of $6,109,257. The 2016 SPLOST began April 1, 2016 and is being used to retire outstanding City of Griffin and Spalding County debt as well as various other City and County projects.

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 position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. 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 14 – 16 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 18 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, 2008 SPLOST Capital Projects and 2016 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 22 – 25. The basic governmental fund financial statements can be found on pages 17 – 21. 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 29 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 30 – 76 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 81 – 100 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 $99,339,050 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (80.75%) 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

	2016	2015
Current and other assets	$ 32,637,000	$ 31,727,824
Capital assets	91,585,436	89,971,831
Total assets	124,222,436	121,699,655
Deferred outflow of resources	2,176,517	179,093
Long-term liabilities outstanding	22,977,532	13,891,137
Other liabilities	2,559,418	3,567,978
Total liabilities	25,536,950	17,459,115
Deferred inflow of resources	1,522,953	681,640
Net position:		
Invested in capital assets, net of related debt	80,220,168	85,020,018
Restricted	22,603,433	22,977,148
Unrestricted	(3,484,551)	(4,259,173)
Total net position	$ 99,339,050	$ 103,737,993

An additional portion of Spalding County's net position (22.75%) 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 $3,484,551 and is a result of the implementation of GASB 68 and 71, which requires the County to record their portion of the net pension liability. The County's deficit in unrestricted net assets decreased $774,622 from the prior year.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased $4,398,943 from the prior fiscal year for an ending balance of $99,339,050. Key elements of the decrease in net position are as follows:

Spalding County's Changes in Net Position

	2016	2015
Revenues		
Program revenues:		
Charges for services	$ 10,081,839	$ 10,148,850
Operating grants and contributions	1,566,317	1,437,094
Capital grants and contributions	43,316	6,917
General revenues:		
Property taxes	25,227,897	23,979,331
Other taxes	12,669,258	15,001,160
Investment income	112,410	142,586
Total revenues	49,701,037	50,715,938
Expenses		
General government	6,313,727	5,496,857
Judicial	4,801,190	4,938,181
Public safety	28,428,857	27,544,324
Public works	4,512,690	2,688,331
Health and welfare	576,772	574,334
Culture and recreation	3,071,094	2,499,384
Housing and development	5,636,437	1,830,357
Interest on long-term debt	759,213	364,470
Total expenses	54,099,980	45,936,238
Change in net position	(4,398,943)	4,779,700
Net position, beginning of year	103,737,993	98,958,293
Net position, end of year	$ 99,339,050	$ 103,737,993

- Charges for services decreased $67,011 during the current fiscal year.
- Operating grants and contributions increased $129,223 over the previous fiscal year primarily due to increased reimbursements from the Georgia Department of Transportation and Atlanta Regional Commission.
- Capital grants and contributions increased $36,399 due to the award of a GEMA Hazard Mitigation Grant for early warning storm sirens.

- Property tax collections increased $1,248,566 over the previous year. This included tax collections for fiscal year 2016 and tax collections for prior years that were under appeal. Although the millage rate remained constant at 16.01 mills, the tax digest increased 2.56% over the previous year.
- Other taxes, consisting mainly of sales taxes decreased $2,331,902, due primarily to the expiration of the 2008 Special Purpose Local Option Sales Tax on December 31, 2014. The 2016 Special Purpose Local Option Sales Tax did not begin until April 1, 2016. The State's title ad valorem tax also had a negative impact on other tax collections.
- General government expenses increased $816,870 from the previous year primarily due to increases in employee salaries and benefits and an increase in the net pension liability. Also, during 2016 the County began providing a nutrition services program for senior citizens and a meals-on-wheels program for homebound seniors.
- Public Safety expenses increased $884,533 due to increases in employee salaries and benefits and an increase in the net pension liability.
- Public works expenses increased $1,824,359 over the previous fiscal year due to capital assets and associated depreciation expense and increases in employee salaries, benefits and net pension liability.
- Housing and development expenses increased $3,806,080 due to infrastructure improvements to the Lakes at Green Valley Industrial Park with 2008 SPLOST funds.
- Interest on long-term debt increased $394,743 with the issuance of the 2016 SPLOST bonds.

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 $27,945,732, an increase of $588,652 in comparison with the prior year. Approximately 9.19% of this total amount ($2,567,282) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, $23,487,582 is restricted for public safety, capital projects, and debt service and $1,791,996 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 $2,665,611, while total fund balance reached $4,498,971. 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 6.96% of total general fund expenditures, while total fund balance represents 11.75% of that same amount.

The fund balance of Spalding County's General Fund increased by $1,201,956 during the current fiscal year. Management's control on spending contributed to this increase.

The Fire District Fund accounts for services provided to citizens residing and businesses located in unincorporated Spalding County. These services are funded by a special tax levy and insurance premium tax. The Fire District Fund had a restricted fund balance of $2,103,264 at June 30, 2016, which is an increase of $350,653 over the previous year. The primary reason for the increase in fund balance is a substantial increase in the insurance premium tax.

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 2016, the 2008 SPLOST Capital Projects fund had a restricted fund balance of $9,298,464, which is a decrease of $7,090,501 from the previous year. The primary reasons for the decrease in fund balance is continued work on the projects funded by the SPLOST coupled with the absence of a funding source since the 2008 SPLOST ended December 31, 2014.

Spalding County voters approved a new 1% Special Purpose Local Option Sales Tax in November 2015 which will fund the construction of a Pickleball Facility and an Aquatics Center, renovation of the Spalding County Animal Control Facility, various parks improvements, acquisition and installation of a Computer Aided Dispatch and phone system for E-911, acquisition and equipping of fire apparatus, acquisition and installation of a judicial computer system and various infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. The 2016 SPLOST will also fund the retirement of outstanding indebtedness for Spalding County and the City of Griffin. The 2016 SPLOST Capital Projects Fund accounts for the financial resources provided from the 2016 General Obligation Sales Tax Bonds and the 2016 1% Special Purpose Local Option Sales Tax. At the end of fiscal year 2016 this fund had a restricted fund balance of $6,109,257.

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 $619,227 and can be summarized as follows:

- Increase in general government activities - $43,365 due primarily to capital asset purchases;
- Increase in judicial functions - $19,213, due to primarily capital asset purchases;

- Increase in public safety functions - $504,988, due primarily to capital asset purchases;
- Increase in culture and recreation activities - $29,267, due primarily to capital asset purchases;
- Increase in housing and development - $22,394, due primarily to capital asset purchases;

All of these increases were funded by capital leases.

Actual General Fund revenues of $39,784,117 were less than final budgeted revenues by $899,622. Spalding County completed a county-wide revaluation of the property tax digest in 2013 which resulted in numerous property tax assessment appeals. Many of these appeals remain unresolved at June 30, 2016.

Actual General Fund expenditures of $38,273,310 were less than final budgeted expenditures of $41,172,642 by $2,899,332. A united effort by Spalding County elected officials, department heads and employees to reduce operating expenditures contributed to this large variance. Also, at the end of fiscal year 2016, there was approximately $1.2 million in public safety lapsed salaries and benefits due to Spalding County's inability to compete in the metro Atlanta salary marketplace. In order to be more competitive, the County has developed a salary increase plan for all County employees to be implemented over four budget years pending funding availability.

Capital Asset and Debt Administration

Capital Assets. Spalding County's investment in capital assets for its governmental activities as of June 30, 2016, amounts to $91,585,436 (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 2016	Governmental Activities 2015
Land	3,132,527	3,132,527
Construction in progress	13,585,573	10,968,375
Land improvements	4,735,794	4,881,676
Buildings and improvements	26,089,020	26,910,394
Machinery and equipment	4,187,929	3,323,706
Furniture and fixtures	29,627	2
Intangibles	295,521	344,222
Infrastructure (roads)	39,529,445	40,410,929
Total	$ 91,585,436	$ 89,971,831

Overall, governmental capital assets increased by a net amount of $1,613,605 during 2016 due primarily to projects related to transportation and infrastructure funded by the 2008 SPLOST. Total governmental capital assets added during 2016 amounted to $1,747,261. Major projects consisted of the following:

- $666,653 in Public Safety vehicles and equipment;
- $54,289 in vehicles, machinery and equipment for Parks and Recreation;
- $120,000 in machinery and equipment and building improvements for the Senior Center;
- $185,605 in machinery and equipment for the Correctional Institution;
- $88,066 in machinery and equipment for the Jail;
- $60,303 in Public Works vehicles, machinery and equipment;
- $43,365 in vehicles and equipment for Construction and Maintenance;
- $19,213 in vehicles for the Magistrate Court;
- $22,394 in vehicles for Community Development;
- $15,093 in furniture for the Courthouse Annex; and
- $472,280 in donated subdivision roads were accepted by the County.

Additional information on the County's capital assets can be found in Note 6 on pages 49 – 51 of this report.

Long-term Debt. At the end of the current fiscal year, Spalding County had $8,800,000 in total bonded debt outstanding. The new issuance is in the form of general obligation bonds related to the 2016 Special Purpose Local Option Sales Tax.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total taxable property assessed valuation. The current debt limitation for the County is $130,729,044.

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 52 – 57 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 2017 budget:

- The unemployment rate for Spalding County is currently 6.7%, which is a decrease from a rate of 8.6% one year ago. The unemployment rate for the State of Georgia at June 30, 2016, is 5.1%.
- Both the national and local economies appear to be recovering from the recent economic downturn. Spalding County's sales tax revenues have stabilized and during fiscal year 2016 building permit and impact fee revenues increased over prior years. The County is hopeful this positive revenue trend will continue.

- The 2015 tax digest increased $34,733,890, or 2.55% from January 1, 2014 to January 1, 2015. The increase from January 1, 2015 to January 1, 2016 was $40,808,281, or 2.92%. We anticipate that Spalding County's tax digest will continue to grow as the economy begins to grow again, however, at a much slower rate than in previous years.

All of these factors were taken into consideration when preparing the 2017 budget. During the current fiscal year, unassigned fund balance in the general fund increased 70.60% to $2,665,611. There has been no appropriation of fund balance for spending in the 2017 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, 2016

	Primary Government	Component Units		
	Governmental Activities	Health Department	Development Authority	Water Authority
ASSETS				
Cash and cash equivalents	$ 26,395,102	$ 1,043,238	$ 741,466	$ 10,028,353
Investments	2,165,635	-	1,750,000	-
Property taxes receivable	1,470,906	-	-	-
Accounts receivable	490,356	-	10,028	913,146
Due from other governments	1,185,213	115,128	4,683	-
Due from primary government	-	67,781	-	2,040
Restricted assets:				
Bond sinking fund	-	-	-	610,724
Fair value of interest rate swap	929,788	-	-	-
Capital assets, non-depreciable	16,718,100	-	17,560,976	13,500
Capital assets, depreciable (net of accumulated depreciation)	74,867,336	19,447	366,626	24,018,733
Total assets	124,222,436	1,245,594	20,433,779	35,586,496
DEFERRED OUTFLOWS OF RESOURCES				
Pension	2,176,517	178,974	-	-
Deferred charges on refunding	-	-	-	946,637
Total deferred outflows of resources	2,176,517	178,974	-	946,637
LIABILITIES				
Accounts payable	875,468	-	6,213	33,434
Accrued liabilities	606,625	-	500	5,036
Accrued interest payable	109,350	-	-	143,554
Due to other governments	-	51,388	-	-
Due to component unit	2,040	-	-	-
Claims payable due within one year	131,187	-	-	-
Claims payable due in more than one year	202,305	-	-	-
Bonds payable due within one year	-	-	-	475,000
Bonds payable due in more than one year	9,819,527	-	-	12,033,623
Compensated absences due within one year	697,688	26,144	20,756	9,233
Compensated absences due in more than one year	465,126	58,521	-	6,155
Certificates of participation due in more than one year	2,500,000	-	-	-
Landfill due within one year	137,060	-	-	-
Landfill due in more than one year	698,530	-	-	-
Net OPEB obligation due in more than one year	932,570	-	-	-
Net pension liability	8,359,474	1,001,992	-	-
Total liabilities	25,536,950	1,138,045	27,469	12,706,035
DEFERRED INFLOWS OF RESOURCES				
Pension	593,165	84,893	-	-
Accumulated increase in fair value of hedging activities	929,788	-	-	-
Total deferred inflows of resources	1,522,953	84,893	-	-
NET POSITION				
Net investment in capital assets	80,220,168	19,447	17,927,602	11,523,612
Restricted for:				
Grant purposes	24,984	-	-	-
Judicial	345,708	-	-	-
Public safety	2,905,341	-	-	-
Culture and recreation	474,617	-	-	-
Capital projects	17,935,861	-	-	-
Debt service	916,922	-	-	-
Other purposes	-	547,311	-	-
Unrestricted	(3,484,551)	(365,128)	2,478,708	12,303,486
Total net position	$ 99,339,050	$ 201,630	$ 20,406,310	$ 23,827,098

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

SPALDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 6,313,727	$ 2,060,790	$ 112,350	$ 42,878
Judicial	4,801,190	1,683,399	119,185	-
Public safety	28,428,857	5,757,601	191,986	411
Public works	4,512,690	229,383	799,527	-
Health and welfare	576,772	-	336,079	-
Culture and recreation	3,071,094	333,191	7,190	-
Housing and development	5,636,437	17,475	-	27
Interest on long-term debt	759,213	-	-	-
Total primary government	$ 54,099,980	$ 10,081,839	$ 1,566,317	$ 43,316
Component units:				
Health Department	$ 1,286,125	$ 552,307	$ 913,039	$ -
Development Authority	2,307,093	-	107,100	4,529,413
Water Authority	7,128,838	7,762,610	-	-
Total component units	$ 10,722,056	$ 8,314,917	$ 1,020,139	$ 4,529,413

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

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	
$ (4,097,709)	$ -	$ -	$ -	
(2,998,606)	-	-	-	
(22,478,859)	-	-	-	
(3,483,780)	-	-	-	
(240,693)	-	-	-	
(2,730,713)	-	-	-	
(5,618,935)	-	-	-	
(759,213)	-	-	-	
(42,408,508)	-	-	-	
-	179,221	-	-	
-	-	2,329,420	-	
-	-	-	633,772	
-	179,221	2,329,420	633,772	
25,227,897	-	-	-	
344,805	-	-	-	
2,349,670	-	-	-	
6,749,243	-	-	-	
268,726	-	-	-	
2,104,227	-	-	-	
98,582	-	-	-	
754,005	-	-	-	
112,410	1,095	10,974	-	
38,009,565	1,095	10,974	-	
(4,398,943)	180,316	2,340,394	633,772	
103,737,993	21,314	18,065,916	23,193,326	
$ 99,339,050	$ 201,630	$ 20,406,310	$ 23,827,098	

SPALDING COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	General	Fire District	Capital Projects 2008 SPLOST	Capital Projects 2016 SPLOST
Cash and cash equivalents	$ 3,683,615	$ 2,167,037	$ 9,944,579	$ 5,924,658
Investments	-	-	-	-
Property taxes receivable	1,166,858	304,048	-	-
Accounts receivable	194,422	-	-	497
Prepaids	98,872	-	-	-
Due from other governments	706,650	-	-	404,887
Due from other funds	813,278	45,103	-	-
Total assets	$ 6,663,695	$ 2,516,188	$ 9,944,579	$ 6,330,042
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 602,999	$ 22,642	$ 11,565	$ 37,804
Accrued liabilities	470,534	109,167	-	-
Due to other funds	68,205	-	634,550	182,981
Due to component unit	2,040	-	-	-
Total liabilities	1,143,778	131,809	646,115	220,785
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	1,020,946	281,115	-	-
Total deferred inflows of resources	1,020,946	281,115	-	-
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Prepaids	98,872	-	-	-
Restricted for:				
Grant purposes	-	-	-	-
Judicial	-	-	-	-
Public safety	-	2,103,264	-	-
Culture and recreation	-	-	-	-
Capital projects	-	-	9,298,464	6,109,257
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	2,665,611	-	-	-
Total fund balances	4,498,971	2,103,264	9,298,464	6,109,257
Total liabilities, deferred inflows of resources and fund balances	$ 6,663,695	$ 2,516,188	$ 9,944,579	$ 6,330,042

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 related to pensions are not due and payable in the current period, and therefore, are not reported in the funds.
Deferred inflows of resources related to pensions are not available 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.

Nonmajor Governmental Funds	Total Governmental Funds
$ 4,675,213	$ 26,395,102
1,187,636	1,187,636
-	1,470,906
174,572	369,491
-	98,872
73,676	1,185,213
60,376	918,757
$ 6,171,473	$ 31,625,977
$ 175,752	$ 850,762
26,924	606,625
33,021	918,757
-	2,040
235,697	2,378,184
-	1,302,061
-	1,302,061
-	98,872
24,984	24,984
345,708	345,708
830,839	2,934,103
474,617	474,617
3,383,527	18,791,248
916,922	916,922
-	3,898
-	60,988
-	12,404
-	43
-	79,702
-	56
57,508	57,508
-	1,564,054
-	1,986
-	11,357
(98,329)	2,567,282
5,935,776	27,945,732
$ 6,171,473	
	91,585,436
	372,273
	(23,043,297)
	2,176,517
	593,165
	(932,570)
	641,794
	$ 99,339,050

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	Fire District	Capital Projects 2008 SPLOST
REVENUES			
Property taxes	$ 21,580,566	$ 3,794,631	$ -
Alcoholic beverage taxes	344,805	-	-
Vehicle taxes	2,349,670	-	-
Sales taxes	5,221,840	-	-
Other taxes	985,465	2,141,493	-
Licenses and permits	418,321	-	-
Intergovernmental	1,005,560	81,306	1,100
Charges for services	4,938,287	-	-
Court fees, fines and forfeitures	1,232,190	-	-
Interest	7,180	-	334
Contributions and donations	7,190	-	-
Rentals	200,242	-	-
Other	1,492,801	1,447	-
Total revenues	39,784,117	6,018,877	1,434
EXPENDITURES			
Current:			
General government	5,136,853	-	-
Judicial	4,122,655	-	-
Public safety	21,291,003	5,296,735	-
Public works	3,544,994	-	-
Health and welfare	489,043	-	-
Culture and recreation	2,469,123	-	-
Housing and development	796,115	-	-
Intergovernmental	-	-	312,493
Capital outlay	-	76,248	7,571,201
Debt service:			
Principal	375,000	256,490	-
Interest	48,524	21,090	-
Issuance costs	-	-	-
Total expenditures	38,273,310	5,650,563	7,883,694
Excess (deficiency) of revenues over (under) expenditures	1,510,807	368,314	(7,882,260)
OTHER FINANCING SOURCES (USES)			
Proceeds from issuance of bonds	-	-	-
Bond premium	-	-	-
Transfers in	644,822	35,514	791,759
Transfers out	(953,673)	(53,175)	-
Total other financing sources (uses)	(308,851)	(17,661)	791,759
Net change in fund balances	1,201,956	350,653	(7,090,501)
FUND BALANCES, beginning of year	3,297,015	1,752,611	16,388,965
FUND BALANCES, end of year	$ 4,498,971	$ 2,103,264	$ 9,298,464

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

Capital Projects 2016 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 25,375,197
-	-	344,805
-	-	2,349,670
1,502,734	24,669	6,749,243
-	98,582	3,225,540
-	-	418,321
-	376,409	1,464,375
-	1,457,189	6,395,476
-	342,255	1,574,445
2,104	112,811	122,429
-	-	7,190
-	-	200,242
-	93,859	1,588,107
1,504,838	2,505,774	49,815,040
-	464,889	5,601,742
-	87,094	4,209,749
-	1,501,483	28,089,221
-	-	3,544,994
-	66,356	555,399
-	-	2,469,123
-	100,740	896,855
-	-	312,493
1,603,552	119,600	9,370,601
2,675,195	-	3,306,685
240,117	128,750	438,481
250,572	-	250,572
4,769,436	2,468,912	59,045,915
(3,264,598)	36,862	(9,230,875)
8,800,000	-	8,800,000
1,019,527	-	1,019,527
-	1,452,520	2,924,615
(445,672)	(1,472,095)	(2,924,615)
9,373,855	(19,575)	9,819,527
6,109,257	17,287	588,652
-	5,918,489	27,357,080
$ 6,109,257	$ 5,935,776	$ 27,945,732

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, 2016

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

Net change in fund balances - total governmental funds	$	588,652
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,613,605
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(147,300)
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.		(6,480,800)
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.		(595,919)
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.		622,819
	$	(4,398,943)

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 25,225,009	$ 23,461,600	$ 21,580,566	$ (1,881,034)
Alcoholic beverage taxes	333,000	333,000	344,805	11,805
Vehicle taxes	1,332,000	2,232,000	2,349,670	117,670
Sales taxes	5,000,000	5,000,000	5,221,840	221,840
Other taxes	838,000	838,000	985,465	147,465
Licenses and permits	359,300	359,300	418,321	59,021
Intergovernmental	641,540	652,333	1,005,560	353,227
Charges for services	4,991,166	4,991,166	4,938,287	(52,879)
Court fees, fines and forfeitures	1,192,000	1,192,000	1,232,190	40,190
Interest	-	-	7,180	7,180
Contributions and donations	-	-	7,190	7,190
Rentals	202,760	202,760	200,242	(2,518)
Other	1,392,313	1,421,580	1,492,801	71,221
Total revenues	41,507,088	40,683,739	39,784,117	(899,622)
EXPENDITURES				
Current:				
General government:				
Board of commissioners	364,283	364,283	354,890	9,393
Board of elections	235,533	235,533	205,763	29,770
Administration	314,461	314,461	308,108	6,353
Finance	135,743	135,743	120,687	15,056
Information systems	152,930	152,930	126,506	26,424
Human resources	186,394	186,394	183,493	2,901
Tax commissioner	811,546	811,546	777,814	33,732
Tax assessors	558,924	558,924	542,648	16,276
Construction and maintenance	379,518	422,883	394,677	28,206
Janitorial services	103,122	103,122	97,187	5,935
General appropriations	2,156,679	2,156,679	2,025,080	131,599
Total general government	5,399,133	5,442,498	5,136,853	305,645
Judicial:				
Superior court	178,590	178,590	186,247	(7,657)
Griffin judicial circuit	910,254	910,254	566,821	343,433
Clerk of court	773,976	773,976	690,240	83,736
District attorney	445,570	445,570	445,341	229
State court	692,038	692,038	665,593	26,445
Solicitor	184,704	184,704	181,560	3,144
Magistrate court	752,937	772,150	726,881	45,269
Probate court	221,269	221,269	219,111	2,158
Public defender	44,726	44,726	36,256	8,470
Public defender circuit	404,605	404,605	404,605	-
Total judicial	4,608,669	4,627,882	4,122,655	505,227

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued):				
Public safety:				
Sheriff	$ 691,036	$ 691,036	$ 633,799	$ 57,237
Victim services	79,169	79,169	65,910	13,259
Warrant division	624,410	624,410	542,797	81,613
Criminal investigation division	929,109	990,531	940,808	49,723
Uniform patrol division	3,296,509	3,622,279	2,856,313	765,966
Jail	7,862,228	7,873,021	7,607,833	265,188
Narcotics task force	1,041,259	1,105,941	1,070,060	35,881
Correctional institution	6,176,380	6,176,380	6,100,813	75,567
Juvenile probation	522,570	522,570	511,358	11,212
Coroner	55,081	55,081	56,990	(1,909)
800 MHz communication	498,687	498,687	504,435	(5,748)
Animal control	334,576	376,897	365,430	11,467
Emergency management	38,929	38,929	34,457	4,472
Total public safety	22,149,943	22,654,931	21,291,003	1,363,928
Public works:				
Public works	2,923,048	2,923,048	2,415,643	507,405
Solid waste collection	815,813	815,813	870,166	(54,353)
Garage	290,552	290,552	259,185	31,367
Total public works	4,029,413	4,029,413	3,544,994	484,419
Health and welfare:				
Health	446,839	446,839	447,443	(604)
Welfare	54,500	54,500	41,600	12,900
Total health and welfare	501,339	501,339	489,043	12,296
Culture and recreation:				
Recreation	624,446	624,446	564,681	59,765
Senior citizens' bus	33,986	33,986	8,333	25,653
Parks	1,695,541	1,724,808	1,695,129	29,679
Libraries	200,980	200,980	200,980	-
Total culture and recreation	2,554,953	2,584,220	2,469,123	115,097
Housing and development:				
Cooperative extension service	186,847	186,847	156,352	30,495
Community development	438,869	461,263	416,627	44,636
Code enforcement	121,376	121,376	114,803	6,573
Development Authority	100,000	100,000	108,333	(8,333)
Total housing and development	847,092	869,486	796,115	73,371

(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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
EXPENDITURES (Continued)				
Current (Continued):				
Debt service:				
Principal	$ 375,000	$ 375,000	$ 375,000	$ -
Interest	87,873	87,873	48,524	39,349
Total debt service	462,873	462,873	423,524	39,349
Total expenditures	40,553,415	41,172,642	38,273,310	2,899,332
Excess (deficiency) of revenues over (under) expenditures	953,673	(488,903)	1,510,807	1,999,710
OTHER FINANCING SOURCES (USES)				
Transfers in	-	579,167	644,822	65,655
Transfers out	(953,673)	(953,673)	(953,673)	-
Total other financing sources (uses)	(953,673)	(374,506)	(308,851)	65,655
Net change in fund balances	-	(863,409)	1,201,956	2,065,365
FUND BALANCES, beginning of year	3,297,015	3,297,015	3,297,015	-
FUND BALANCES, end of year	$ 3,297,015	$ 2,433,606	$ 4,498,971	$ 2,065,365

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 4,065,047	$ 4,015,012	$ 3,794,631	$ (220,381)
Other taxes	2,105,000	2,105,000	2,141,493	36,493
Intergovernmental	46,900	46,900	81,306	34,406
Other	-	-	1,447	1,447
Total revenues	6,216,947	6,166,912	6,018,877	(148,035)
EXPENDITURES				
Current:				
Public safety	5,705,372	5,705,372	5,296,735	408,637
Capital outlay	-	35,514	76,248	(40,734)
Debt service:				
Principal	413,760	413,760	256,490	157,270
Interest	44,640	44,640	21,090	23,550
Total expenditures	6,163,772	6,199,286	5,650,563	548,723
Excess (deficiency) of revenues over (under) expenditures	53,175	(32,374)	368,314	400,688
OTHER FINANCING SOURCES (USES)				
Transfers in	-	35,514	35,514	-
Transfers out	(53,175)	(53,175)	(53,175)	-
Total other financing sources (uses)	(53,175)	(17,661)	(17,661)	-
Net change in fund balances	-	(50,035)	350,653	400,688
FUND BALANCES, beginning of year	1,752,611	1,752,611	1,752,611	-
FUND BALANCES, end of year	$ 1,752,611	$ 1,702,576	$ 2,103,264	$ 400,688

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

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Governmental Activities - Internal Service Funds
	Workers' Compensation
ASSETS	
CURRENT ASSETS	
Investments	$ 977,999
Accounts receivable	21,993
Total current assets	999,992
Total assets	999,992
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	24,706
Current portion of claims payable	131,187
Total current liabilities	155,893
NONCURRENT LIABILITIES	
Claims payable, net of current portion	202,305
Total noncurrent liabilities	202,305
Total liabilities	358,198
NET POSITION	
Unrestricted	641,794
Total net position	$ 641,794

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, 2016

	Governmental Activities - Internal Service Funds
	Workers' Compensation
OPERATING REVENUES	
Contributions	$ 880,717
Total operating revenues	880,717
OPERATING EXPENSES	
Claims paid	90,880
Administration and other costs	200,315
Total operating expenses	291,195
Operating income	589,522
NON-OPERATING REVENUES	
Interest income	33,297
Total non-operating revenues	33,297
Change in net position	622,819
NET POSITION, beginning of year	18,975
NET POSITION, end of year	$ 641,794

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, 2016

	Governmental Activities - Internal Service Funds
	Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	$ 880,717
Payments for insurance claims	(300,563)
Payments to suppliers for services provided	(200,315)
Net cash provided by operating activities	379,839
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(413,136)
Interest received	33,297
Net cash used in investing activities	(379,839)
Net change in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 589,522
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Increase in accounts receivable	(9,401)
Decrease in claims payable	(200,282)
Net cash provided by operating activities	$ 379,839

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

SPALDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Funds
ASSETS	
Cash	$ 1,212,528
Taxes receivable	2,792,150
Accounts receivable	26,001
Total assets	$ 4,030,679
LIABILITIES	
Due to others	$ 4,030,679

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

NOTES TO
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 County 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.

The ***Capital Projects 2016 SPLOST Fund*** accounts for the financial resources provided and subsequently expended from the 2016 General Obligation Sales Tax Bonds and the 2016 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 back-trending.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of 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 two items that qualify for reporting in this category. These items relate 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. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of 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 three items that qualify for reporting in this category. One item, 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. The other item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Experience losses result from periodic studies by the City's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience gains or losses are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 ($22,450,132) difference are as follows:

General obligation bonds payable	$	(8,800,000)
Plus: Issuance premium (to be amortized against interest expense)		(1,019,527)
Certificates of participation		(2,500,000)
Less: Fair value of interest rate swap		929,788
Landfill postclosure costs		(835,590)
Net pension liability		(8,359,474)
Deferred inflows of resources		(593,165)
Compensated absences		(1,162,814)
Accrued interest		(109,350)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(22,450,132)

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 $372,273 difference are as follows:

Deferred property tax revenue	$	1,302,061
Deferred fair value of interest rate swap		(929,788)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	372,273

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $1,613,605 difference are as follows:

Capital outlay	$	4,364,459
Depreciation expense		(2,750,854)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	1,613,605

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 ($6,480,800) difference are as follows:

Proceeds from bond issuance	$	(8,800,000)
Premium on bond issuance		(1,019,527)
Principal repayments:		
Capital leases		1,186,685
Certificates of participation		2,120,001
Landfill postclosure costs		32,041
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(6,480,800)

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 ($595,919) difference are as follows:

Compensated absences	$	(20,740)
Accrued interest		(70,160)
Net OPEB obligation		(127,074)
Net pension liability		(377,945)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	(595,919)

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, 2016, expenditures exceeded budget, as follows:

General Fund:		
Superior court	$	7,657
Coroner		1,909
800 MHz communication		5,748
Solid waste collection		54,353
Health		604
Development Authority		8,333
Fire District		
Capital outlay		40,734
Community Services Block Grant		
General government		6,823
Judicial		6,567
Health and welfare		1,356
Capital Projects 2016 SPLOST		
Debt service		2,915,312

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 Capital Projects 2016 SPLOST Fund were funded by additional revenues. The overexpenditures in the Fire District Fund were funded by fund balance.

C. Deficit Fund Balance

The following funds had deficit fund balances/net position at June 30, 2016:

Senior Nutrition Fund	$	98,329

The fund deficit in the Senior Nutrition Fund will be reduced through intergovernmental revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2016, are summarized as follows:

Balances per statement of net position:		
Cash and cash equivalents - Primary Government	$	26,395,102
Cash and cash equivalents - Health Department		1,043,238
Cash and cash equivalents - Development Authority		741,466
Cash and cash equivalents - Water Authority		10,028,353
Investments - Primary Government		2,165,635
Investments - Development Authority		1,750,000
Restricted assets:		
Water Authority - Bond sinking fund		610,724
Balances per statement of net position:		
Cash - Agency funds		1,212,528
	$	43,947,046
Balances by type:		
Cash deposited with financial institutions	$	25,047,278
Money market		16,734,133
Mutual bond funds		977,999
Guaranteed investment contract		1,187,636
	$	43,947,046

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. The guaranteed investment contract with the Georgia Municipal Association (GMA) is not rated. 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.

At June 30, 2016, the County had the following investments:

Investment	Maturities	Fair Value
Money market	N/A	$ 16,734,133
Mutual bond fund	N/A	977,999
Guaranteed investment contract	June 1, 2028	1,187,636
		$ 18,899,768

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2016:

Investment	Level 1	Level 2	Level 3	Fair Value
Mutual bond fund	$ 977,999	$ -	$ -	$ 977,999
Total investments measured at fair value	$ 977,999	$ -	$ -	$ 977,999
Investments not subject to level disclosure:				
Money market				16,734,133
Guaranteed investment contract				1,187,636
Total investments				$ 18,899,768

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The guaranteed investment contract is a nonparticipating interest-earning investment contract, and, accordingly, is recorded at cost. As a result, the County does not disclose its investment in the guaranteed investment contract within the fair value hierarchy.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates of debt investment will adversely affect the fair value of an investment. The County's investment policy states that the County will structure its portfolio to meet the cash requirements for ongoing operations. The policy also emphasizes the purchase of shorter term or more liquid investments. Except for those reserve or other funds with long-term investment horizons, the County shall limit maturities to five years or less.

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, 2016, 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.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Some statutes require all investments (other than federal or state governemnt instruments) to be collateralized by depository insurance, obligations of the U.S. government or bonds of public authorities, counties or municipalities.

NOTE 5. RECEIVABLES

Receivables at June 30, 2016 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Fire District	Capital Projects 2016 SPLOST
Receivables:			
Taxes	$ 1,929,794	$ 304,048	$ -
Accounts	194,422	-	497
Intergovernmental	706,650	-	404,887
Gross receivables	2,830,866	304,048	405,384
Less: allowance for uncollectibles	762,936	-	-
Net total receivables	$ 2,067,930	$ 304,048	$ 405,384

	Nonmajor Governmental	Total Governmental	Internal Service Fund
Receivables:			
Taxes	$ -	$ 2,233,842	$ -
Accounts	174,572	369,491	21,993
Intergovernmental	73,676	1,185,213	-
Gross receivables	248,248	3,788,546	21,993
Less: allowance for uncollectibles	-	762,936	-
Net total receivables	$ 248,248	$ 3,025,610	$ 21,993

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, 2015, upon which the fiscal 2016 levy was based, was the gross digest amount of $1,601,089,623 (40% of the estimated market value of $3,488,226,090).

The tax billing cycle for fiscal year 2016 is as follows:

Tax bills mailed	September 15, 2015
Payment due date	November 15, 2015
Delinquency date	November 16, 2015
Lien date	April 16, 2016

The distribution of the County's levy (tax rate per $1,000 assessed value) as of June 30, 2016, is as follows:

General government	16.01 mills
Fire District	4.17 mills
School System	18.74 mills
State of Georgia	.05 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
Construction in progress	10,968,375	2,617,198	-		13,585,573
Total	14,100,902	2,617,198	-	-	16,718,100
Capital assets, being depreciated:					
Land improvements	6,908,617	-	-	-	6,908,617
Building improvements	45,316,180	64,799	-	-	45,380,979
Machinery and equipment	19,848,611	1,177,809	(617,214)	-	20,409,206
Furniture and fixtures	47,596	32,373	-	-	79,969
Intangibles	621,715	-	-	-	621,715
Infrastructure	83,951,407	472,280	-	-	84,423,687
Total	156,694,126	1,747,261	(617,214)	-	157,824,173
Less accumulated depreciation for:					
Land improvements	(2,026,941)	(145,882)	-	-	(2,172,823)
Building improvements	(18,405,786)	(886,173)	-	-	(19,291,959)
Machinery and equipment	(16,524,905)	(313,586)	617,214	-	(16,221,277)
Furniture and fixtures	(47,594)	(2,748)	-	-	(50,342)
Intangibles	(277,493)	(48,701)	-	-	(326,194)
Infrastructure	(43,540,478)	(1,353,764)	-	-	(44,894,242)
Total	(80,823,197)	(2,750,854)	617,214	-	(82,956,837)
Total capital assets, being depreciated, net	75,870,929	(1,003,593)	-	-	74,867,336
Governmental activities capital assets, net	$ 89,971,831	$ 1,613,605	$ -	$ -	$ 91,585,436

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

Governmental activities:	
General government	$ 357,610
Judicial	440,137
Public safety	632,697
Public works	1,155,359
Culture and recreation	165,051
Total depreciation expense - governmental activities	$ 2,750,854

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, being depreciated:					
Machinery and equipment	$ 173,778	$ 3,173	$ -	$ -	$ 176,951
Less accumulated depreciation for:					
Machinery and equipment	(149,668)	(7,836)	-	-	(157,504)
Total capital assets, net	$ 24,110	$ (4,663)	$ -	$ -	$ 19,447

C. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land development costs	$ 356,720	$ -	$ -	$ -	$ 356,720
Land, industrial parks	8,653,624				8,653,624
Infrastructure	1,889,411	-	(795,579)	-	1,093,832
Intangible	-	4,500,000	-	-	4,500,000
Construction in progress	3,941,233	29,413	(1,013,846)	-	2,956,800
Total	14,840,988	4,529,413	(1,809,425)	-	17,560,976
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	(309,242)	(17,330)	-	-	(326,572)
Furniture and fixtures	(163,331)	-	-	-	(163,331)
Total	(472,573)	(17,330)	-	-	(489,903)
Total capital assets, being depreciated, net	383,956	(17,330)	-	-	366,626
Total capital assets, net	$ 15,224,944	$ 4,512,083	$ (1,809,425)	$ -	$ 17,927,602

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	272,626	510,311	-	(782,937)	-
Total	286,126	510,311	-	(782,937)	13,500
Capital assets, being depreciated:					
Water delivery system	31,979,235	73,285	-	782,937	32,835,457
Sewer system	2,065,296	-	-	-	2,065,296
Buildings	48,751	-	-	-	48,751
Machinery and equipment	781,780	25,994	-	-	807,774
Intangibles	145,279	-	-	-	145,279
Total	35,020,341	99,279	-	782,937	35,902,557
Less accumulated depreciation for:					
Water delivery system	(10,170,569)	(652,819)	-	-	(10,823,388)
Sewer system	(173,988)	(41,419)	-	-	(215,407)
Buildings	(41,327)	(199)	-	-	(41,526)
Machinery and equipment	(781,780)	(2,592)	-	-	(784,372)
Intangibles	(16,217)	(2,914)	-	-	(19,131)
Total	(11,183,881)	(699,943)	-	-	(11,883,824)
Total capital assets, being depreciated, net	23,836,460	(600,664)	-	782,937	24,018,733
Total capital assets, net	$ 24,122,586	$ (90,353)	$ -	$ -	$ 24,032,233

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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ -	$ 8,800,000	$ -	$ 8,800,000	$ -
Bond premium	-	1,019,527	-	1,019,527	-
Net bonds payable	-	9,819,527	-	9,819,527	-
Certificates of participation	4,620,001	-	(2,120,001)	2,500,000	-
Capital leases	1,186,685	-	(1,186,685)	-	-
Claims payable	538,692	90,880	(296,080)	333,492	131,187
Compensated absences	1,142,074	814,589	(793,849)	1,162,814	697,688
Landfill postclosure costs	867,631	-	(32,041)	835,590	137,060
Net pension liability	6,577,270	3,893,920	(2,111,716)	8,359,474	-
Net OPEB obligation	805,496	162,559	(35,485)	932,570	-
Governmental activities Long-term liabilities	$ 15,737,849	$ 14,781,475	$ (6,575,857)	$ 23,943,467	$ 965,935

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 capital leases were paid off during the fiscal year ending June 30, 2016.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Obligation Sales Tax Bonds. The Spalding County General Obligation Sales Tax Bonds, Series 2016 were issued in March 2016 in the amount of $8,800,000. The proceeds from the sale of the bonds will be used for the purpose of financing or refinancing certain capital outlay projects of the County and for paying the costs of issuing the bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds carry interest rates ranging from 2.50% to 4.00% and are due on July 1, 2022. In connection with the issuance of bonds, a premium of $1,019,527 was recorded and is being amortized over the life of the bonds. As of June 30, 2016, the unamortized premium was $1,019,527.

The bonds payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest
2017	$ -	$ 302,300
2018	-	302,300
2019	-	302,300
2020	2,870,000	302,300
2021	2,930,000	216,200
2022 - 2026	3,000,000	99,000
Total	$ 8,800,000	$ 1,524,400

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. The above-mentioned lease-purchase agreements and certificates of participation debt were paid off during the fiscal year ending June 30, 2016.

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

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. (Continued) on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the 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, 2016, the floating rate being paid by the County is 0.72% and the market value of this agreement is $929,788, an increase of $248,148 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2016 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
2027 - 2031	$ 2,500,000	$ 475,000

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, 2016, the County has a remaining 10 years of monitoring. Engineering studies estimate postclosure costs of approximately $835,590 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, 2016. 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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2008	$ 2,415,000	$ -	$ (255,000)	$ 2,160,000	$ 370,000
Deferred amounts:					
Discount	(8,030)	-	1,927	(6,103)	-
Bonds payable, Series 2015	9,580,000	-	(30,000)	9,550,000	105,000
Deferred amounts:					
Premium	889,114	-	(84,388)	804,726	-
Total bonds payable	12,876,084	-	(367,461)	12,508,623	475,000
Compensated absences	16,230	11,030	(11,872)	15,388	9,233
Water Authority Long-term liabilities	$ 12,892,314	$ 11,030	$ (379,333)	$ 12,524,011	$ 484,233

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, 2016, the unamortized premium was $804,726.

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, 2016 of $946,637 are classified as a deferred outflow of resources on the Statement of Net Position. Amortization of $298,938 has been included in interest expense for the year ended June 30, 2016. As of June 30, 2016, 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, 2016, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Water Authority - Series 2008	4.00%	20 years	2019	$ 11,380,000	$ 2,160,000
Water Authority - Series 2015	2.00 - 4.00 %	13 years	2028	$ 9,580,000	9,550,000
	Less unamortized discount				(6,103)
	Plus unamortized premium				804,726
					$ 12,508,623

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

Fiscal year ending June 30,	Principal	Interest
2017	$ 475,000	$ 421,288
2018	605,000	398,438
2019	710,000	368,312
2020	810,000	331,694
2021	880,000	298,525
2022 - 2026	4,860,000	1,059,425
2027 - 2031	3,370,000	202,900
Total	$ 11,710,000	$ 3,080,582

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects 2008 SPLOST Fund	$ 634,550
General Fund	Capital Projects 2016 SPLOST Fund	178,728
Nonmajor governmental funds	Capital Projects 2016 SPLOST Fund	4,253
Nonmajor governmental funds	Nonmajor governmental funds	33,021
Nonmajor governmental funds	General Fund	23,102
Fire District Fund	General Fund	45,103
		$ 918,757

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	$ 644,822
Capital Projects 2008 SPLOST Fund	Nonmajor governmental funds	791,759
Nonmajor governmental funds	Fire District Fund	53,175
Nonmajor governmental funds	Capital Projects 2016 SPLOST Fund	445,672
Fire District Fund	Nonmajor governmental funds	35,514
Nonmajor governmental funds	General Fund	953,673
		$ 2,924,615

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, 2015, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	121
Terminated plan participants entitled to but not receiving benefits	158
Active employees participating in the Plan	384
Total number of Plan Participants	663

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, 2016, the County's contribution rate was 8.30% of annual payroll. County contributions to the Plan were $1,199,522 for the year ended June 30, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial Assumptions. The total pension liability in the January 1, 2015 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, 2015 valuation were based on the results of an actuarial experience study through February 2014.

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, 2015 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	$ 100.00 %	

* 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, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	$ 28,009,112	$ 21,431,842	$ 6,577,270
Changes for the year:			
Service cost	447,289	-	447,289
Interest	2,100,683	-	2,100,683
Differences between expected and actual experience	(714,219)	-	(714,219)
Contributions—employer	-	1,199,522	(1,199,522)
Net investment income	-	146,812	(146,812)
Assumption change	1,130,608	-	1,130,608
Benefit payments, including refunds of employee contributions	(1,415,512)	(1,364,349)	(51,163)
Administrative expense	-	(69,586)	69,586
Other changes	-	(145,754)	145,754
Net changes	1,548,849	(233,355)	1,782,204
Balances at June 30, 2016	$ 29,557,961	$ 21,198,487	$ 8,359,474

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	$ 12,124,678	$ 8,359,474	$ 5,226,796

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, 2016, the County recognized pension expense of $1,577,467. At June 30, 2016, the County 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
Net difference between projected and actual earnings on plan investments	$ 1,237,537	$ -
Differences between expected and actual experience	-	593,165
Other changes in assumptions	938,980	-
Total	$ 2,176,517	$ 593,165

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:	
2017	$ 379,958
2018	379,958
2019	379,958
2020	379,958
2021	63,520
Total	$ 1,583,352

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.formspubs/formspubs.

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

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 Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The Health Department's contributions to ERS totaled $138,631 for the year ended June 30, 2016. Contributions are expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on its share of contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, the Health Department's proportion was .024732%, which was an increase (decrease) of .001441% from its proportion measured as of June 30, 2014.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

For the year ended June 30, 2016, the Health Department recognized pension expense of $124,178. At June 30, 2016, 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	$ -	$ 8,006
Net difference between projected and actual earnings on plan investments	-	72,295
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,343	4,592
Employer contributions subsequent to measurement date	138,631	-
Total	$ 178,974	$ 84,893

Health Department contributions subsequent to the measurement date of $138,631 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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:	
2017	$ (15,258)
2018	(21,444)
2019	(32,224)
2020	24,376
Total	$ (44,550)

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2015 was determined by an actuarial valuation as of June 30, 2014, 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 of 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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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	$ 100.00 %	

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

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Health Department – Component Unit (Continued)

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.

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%)	Discount Rate (7.50%)	1% Increase (8.50%)
Employers' proportionate share net penstion liability	$ 1,420,359	$ 1,001,992	$ 645,317

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov.formspubs/formspubs.

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, 2016, there were 411 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, 2016, the County's contribution to the Plan was $253,190. The amount contributed by employees was $718,185.

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, 2016. 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, 2016. 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, 2016.

Active members	456
Retired members	9
	465

Contributions

The County contributed $35,485 to the post-retirement benefit plan in fiscal year 2016. 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
07/01/15	$ 162,559	$ 35,485	22 %	$ 932,570
07/01/14	162,558	31,262	19	805,496
07/01/13	157,584	33,096	21	674,200
07/01/12	157,585	24,759	16	549,712
07/01/11	182,055	21,996	12	416,886
07/01/10	182,055	61,374	34	256,827
07/01/09	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, 2016, are as follows:

Derivation of Annual OPEB Cost	June 30, 2016
Annual Required Contribution	$ 169,878
Interest on Net OPEB Obligation	30,610
Amortization of Net OPEB Obligation	(37,929)
Annual OPEB Cost	$ 162,559

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual Pension Cost (Continued)

Derivation of Net OPEB Obligation	
Annual OPEB Cost	$ 162,559
Actual Contributions to Plan	35,485
Increase in Net OPEB Obligation	127,074
Net OPEB Obligation as of Beginning of Year	805,496
Net OPEB Obligation as of End of Year	$ 932,570

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	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, 2016.

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, 2016. 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%
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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

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.

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, 2016, 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 2016 and 2015 were as follows:

Workers' Compensation Trust Fund	June 30, 2016	June 30, 2015
Unpaid claims, beginning of fiscal year	$ 538,692	$ 464,775
Expenses incurred	90,880	258,542
Payments disbursed	(296,080)	(184,625)
Unpaid claims, end of fiscal year	$ 333,492	$ 538,692

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.

Encumbrances

As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fire District Fund	$ 289,889
General Fund	15,270
	$ 305,159

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2016, the County, jointly with the County 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 2016 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, 2016, 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, 2009, 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 2016 was $59,000. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the year ended June 30, 2016, the County levied a 5% hotel/motel tax on lodging facilities within the County. The County allocates 2% of this tax for the promotion of tourism, conventions, or trade shows as required by Official Code of Georgia Annotated 48-13-51. For the fiscal year ended June 30, 2016, the County collected $218,743 of hotel/motel taxes of which $120,160 went to support the general fund and $98,582 was expended by the hotel/motel tax fund.

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
6/30/2015	$ -	$ 1,375,692	$ 1,375,692	0.0 %	$ 20,935,577	6.6 %
6/30/2014	-	1,305,643	1,305,643	0.0	19,313,839	6.8
6/30/2013	-	1,210,735	1,210,735	0.0	20,624,315	5.9
6/30/2012	-	1,492,870	1,492,870	0.0	20,761,129	7.2
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

	2016	2015
Total pension liability		
Service cost	$ 447,289	$ 460,213
Interest on total pension liability	2,100,683	2,015,681
Changes of benefit terms		
Differences between expected and actual experience	(714,219)	-
Changes of assumptions	1,130,608	-
Benefit payments, including refunds of employee contributions	(1,415,512)	(1,342,527)
Net change in total pension liability	1,548,849	1,133,367
Total pension liability - beginning	28,009,112	26,875,745
Total pension liability - ending (a)	$ 29,557,961	$ 28,009,112
Plan fiduciary net position		
Contributions - employer	$ 1,199,522	$ 1,334,262
Net investment income	146,812	1,430,252
Benefit payments, including refunds of employee contributions	(1,364,349)	(1,294,002)
Administrative expenses	(69,586)	(67,301)
Other	(145,754)	(147,776)
Net change in fiduciary net position	(233,355)	1,255,435
Plan fiduciary net position - beginning	21,431,842	20,176,407
Plan fiduciary net position - ending (b)	$ 21,198,487	$ 21,431,842
County's net pension liability - ending (a) - (b)	$ 8,359,474	$ 6,577,270
Plan fiduciary net position as a percentage of total pension liability	71.72%	76.52%
Covered-employee payroll	14,458,040	14,657,303
County's net pension liability as a percentage of covered -employee payroll	57.82%	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

	2016	2015
Actuarially determined contribution	$ 1,151,588	$ 1,216,126
Contributions in relation to the actuarially determined contribution	1,199,522	1,334,262
Contribution deficiency (excess)	$ (47,934)	$ (118,136)
Covered-employee payroll	14,458,040	14,657,303
Contributions as a percentage of Covered-employee payroll	8.30%	9.10%

Notes to the Schedule

Valuation Date	January 1, 2015
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	2.50% - 5.00% (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

	2016	2015
Proportion of the net pension liability	0.24732%	0.23291%
Proportionate share of the net pension liability	$1,001,992	$873,556
Covered-employee payroll	$584,105	$539,749
Proportionate share of the net pension liability as a percentage of covered-employee payroll	171.54%	161.84%
Plan fiduciary net position as a percentage of the total pension liability	76.20%	77.99%

SCHEDULE OF CONTRIBUTIONS

	2016	2015
Contractually required contribution	$ 138,631	$ 124,178
Contributions made in relation to the contractually required contribution	$ (138,631)	$ (124,178)
Contribution deficit (excess)	$ -	$ -
Covered-employee payroll	$ 555,001	$ 584,105
Contributions made as a percentage of covered-employee payroll	24.98%	21.26%

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.

2016 SPLOST Debt Service — To account for the accumulation of resources for the payment of debt principal and interest for the 2016 General Obligation Sales Tax Bonds.

Capital Projects Funds

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

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

Capital Projects 2005 SPLOST — To account for the financial resources provided and subsequently expended from the 2005 General Obligation Sales Tax Bonds and the 2005 Special Purpose Local Option Sales Tax.

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue			
ASSETS	**Community Services Block Grant**	**Emergency 911**	**Confiscated Assets**	**Law Library**
Cash and cash equivalents	$ 19,681	$ 250,257	$ 423,431	$ 63,273
Investments	-	-	-	-
Accounts receivable	-	172,248	-	2,324
Due from other governments	40,406	-	-	-
Due from other funds	-	19,120	-	-
Total assets	$ 60,087	$ 441,625	$ 423,431	$ 65,597
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 12,259	$ -	$ 1,667
Accrued liabilities	2,082	21,958	-	-
Due to other funds	33,021	-	-	-
Total liabilities	35,103	34,217	-	1,667
FUND BALANCES, (DEFICIT)				
Restricted for:				
Grant purposes	24,984	-	-	-
Judicial	-	-	-	63,930
Public safety	-	407,408	423,431	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	24,984	407,408	423,431	63,930
Total liabilities and fund balances	$ 60,087	$ 441,625	$ 423,431	$ 65,597

					Debt Service		
Senior Nutrition	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2016 SPLOST Debt Service
$ -	$ 474,707	$ 269,061	$ 4,482	$ 683,545	$ 203	$ 253,965
-	-	-	-	1,187,636	-	-
-	-	-	-	-	-	-
33,270	-	-	-	-	-	-
33,021	-	8,235	-	-	-	-
$ 66,291	$ 474,707	$ 277,296	$ 4,482	$ 1,871,181	$ 203	$ 253,965
$ 161,736	$ 90	$ -	$ -	$ -	$ -	$ -
2,884	-	-	-	-	-	-
-	-	-	-	-	-	-
164,620	90	-	-	-	-	-
-	-	-	-	-	-	-
-	-	277,296	4,482	-	-	-
-	-	-	-	-	-	-
-	474,617	-	-	-	-	-
-	-	-	-	954,259	203	253,965
-	-	-	-	916,922	-	-
-	-	-	-	-	-	-
(98,329)	-	-	-	-	-	-
(98,329)	474,617	277,296	4,482	1,871,181	203	253,965
$ 66,291	$ 474,707	$ 277,296	$ 4,482	$ 1,871,181	$ 203	$ 253,965

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	Capital Projects			
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	Total
Cash and cash equivalents	$ 1,675,098	$ 57,508	$ 500,002	$ 4,675,213
Investments	-	-	-	1,187,636
Accounts receivable	-	-	-	174,572
Due from other governments	-	-	-	73,676
Due from other funds	-	-	-	60,376
Total assets	$ 1,675,098	$ 57,508	$ 500,002	$ 6,171,473
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 175,752
Accrued liabilities	-	-	-	26,924
Due to other funds	-	-	-	33,021
Total liabilities	-	-	-	235,697
FUND BALANCES, (DEFICIT)				
Restricted for:				
Grant purposes	-	-	-	24,984
Judicial	-	-	-	345,708
Public safety	-	-	-	830,839
Culture and recreation	-	-	-	474,617
Capital projects	1,675,098	-	500,002	3,383,527
Debt service	-	-	-	916,922
Assigned for:				
Capital projects	-	57,508	-	57,508
Unassigned	-	-	-	(98,329)
Total fund balances (deficit)	1,675,098	57,508	500,002	5,935,776
Total liabilities and fund balances	$ 1,675,098	$ 57,508	$ 500,002	$ 6,171,473

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue			
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library
REVENUES				
Other taxes	$ -	$ -	$ -	$ -
Intergovernmental	129,943	-	-	-
Charges for services	-	1,091,791	-	-
Court fees, fines and forfeitures	-	-	264,340	27,009
Interest	-	-	202	67
Other	-	554	-	2,058
Total revenues	129,943	1,092,345	264,542	29,134
EXPENDITURES				
Current:				
General government	26,703	-	-	-
Judicial	32,127	-	-	38,871
Public safety	-	1,306,191	195,292	-
Health and welfare	66,356	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	125,186	1,306,191	195,292	38,871
Excess (deficiency) of revenues over (under) expenditures	4,757	(213,846)	69,250	(9,737)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	269,653	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	269,653	-	-
Net change in fund balances	4,757	55,807	69,250	(9,737)
FUND BALANCES (DEFICIT), beginning of year	20,227	351,601	354,181	73,667
FUND BALANCES (DEFICIT), end of year	$ 24,984	$ 407,408	$ 423,431	$ 63,930

				Debt Service		
Senior Nutrition	Tourism	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	GMA Lease Pool Debt Service	2008 SPLOST Debt Service	2016 SPLOST Debt Service
$ -	$ 98,582	$ -	$ -	$ -	$ 24,669	$ -
246,466	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	50,906	-	-	-	-
-	-	120	-	112,410	12	-
85,647	-	5,600	-	-	-	-
332,113	98,582	56,626	-	112,410	24,681	-
430,117	-	-	-	-	-	-
-	-	16,096	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	100,740	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	128,750	-	-
430,117	100,740	16,096	-	128,750	-	-
(98,004)	(2,158)	40,530	-	(16,340)	24,681	-
-	-	-	-	908,902	-	253,965
-	-	-	-	(680,336)	(791,759)	-
-	-	-	-	228,566	(791,759)	253,965
(98,004)	(2,158)	40,530	-	212,226	(767,078)	253,965
(325)	476,775	236,766	4,482	1,658,955	767,281	-
$ (98,329)	$ 474,617	$ 277,296	$ 4,482	$ 1,871,181	$ 203	$ 253,965

(Continued)

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Capital Projects			
	Impact Fees	Capital Projects General	Capital Projects 2005 SPLOST	Total
REVENUES				
Other taxes	$ -	$ -	$ -	$ 123,251
Intergovernmental	-	-	-	376,409
Charges for services	365,398	-	-	1,457,189
Court fees, fines and forfeitures	-	-	-	342,255
Interest	-	-	-	112,811
Other	-	-	-	93,859
Total revenues	365,398	-	-	2,505,774
EXPENDITURES				
Current:				
General government	8,069	-	-	464,889
Judicial	-	-	-	87,094
Public safety	-	-	-	1,501,483
Health and welfare	-	-	-	66,356
Housing and development	-	-	-	100,740
Capital outlay	-	119,600	-	119,600
Debt service:				
Interest	-	-	-	128,750
Total expenditures	8,069	119,600	-	2,468,912
Excess (deficiency) of revenues over (under) expenditures	357,329	(119,600)	-	36,862
OTHER FINANCING SOURCES (USES)				
Transfers in	-	20,000	-	1,452,520
Transfers out	-	-	-	(1,472,095)
Total other financing sources (uses)	-	20,000	-	(19,575)
Net change in fund balances	357,329	(99,600)	-	17,287
FUND BALANCES (DEFICIT), beginning of year	1,317,769	157,108	500,002	5,918,489
FUND BALANCES (DEFICIT), end of year	$ 1,675,098	$ 57,508	$ 500,002	$ 5,935,776

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, 2016

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	110,440	129,943	19,503
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	-	-	-
Total revenues	110,440	129,943	19,503
EXPENDITURES			
Current:			
General government	19,880	26,703	(6,823)
Judicial	25,560	32,127	(6,567)
Public safety	-	-	-
Health and welfare	65,000	66,356	(1,356)
Housing and development	-	-	-
Total expenditures	110,440	125,186	(14,746)
Excess (deficiency) of revenues over (under) expenditures	-	4,757	4,757
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	4,757	4,757
FUND BALANCES (DEFICIT), beginning of year	20,227	20,227	-
FUND BALANCES (DEFICIT), end of year	$ 20,227	$ 24,984	$ 4,757

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
1,146,169	1,091,791	(54,378)	-	-	-
-	-	-	375,000	264,340	(110,660)
-	-	-	-	202	202
-	554	554	-	-	-
1,146,169	1,092,345	(53,824)	375,000	264,542	(110,458)
-	-	-	-	-	-
-	-	-	-	-	-
1,415,822	1,306,191	109,631	375,000	195,292	179,708
-	-	-	-	-	-
-	-	-	-	-	-
1,415,822	1,306,191	109,631	375,000	195,292	179,708
(269,653)	(213,846)	55,807	-	69,250	69,250
269,653	269,653	-	-	-	-
269,653	269,653	-	-	-	-
-	55,807	55,807	-	69,250	69,250
351,601	351,601	-	354,181	354,181	-
$ 351,601	$ 407,408	$ 55,807	$ 354,181	$ 423,431	$ 69,250

(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, 2016

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	40,000	27,009	(12,991)
Interest	-	67	67
Other	-	2,058	2,058
Total revenues	40,000	29,134	(10,866)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	45,000	38,871	6,129
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	45,000	38,871	6,129
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(9,737)	(4,737)
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	(5,000)	(9,737)	(4,737)
FUND BALANCES (DEFICIT), beginning of year	73,667	73,667	-
FUND BALANCES (DEFICIT), end of year	$ 68,667	$ 63,930	$ (4,737)

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 116,000	$ 98,582	$ (17,418)
327,345	246,466	(80,879)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
103,500	85,647	(17,853)	-	-	-
430,845	332,113	(98,732)	116,000	98,582	(17,418)
465,845	430,117	35,728	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	116,000	100,740	15,260
465,845	430,117	35,728	116,000	100,740	15,260
(35,000)	(98,004)	(63,004)	-	(2,158)	(2,158)
-	-	-	-	-	-
-	-	-	-	-	-
(35,000)	(98,004)	(63,004)	-	(2,158)	(2,158)
-	(325)	-	476,775	476,775	-
$ (35,000)	$ (98,329)	$ (63,004)	$ 476,775	$ 474,617	$ (2,158)

(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, 2016

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	60,000	50,906	(9,094)
Interest	-	120	120
Other	-	5,600	5,600
Total revenues	60,000	56,626	(3,374)
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	70,000	16,096	53,904
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	70,000	16,096	53,904
Excess (deficiency) of revenues over (under) expenditures	(10,000)	40,530	50,530
OTHER FINANCING USES			
Transfers in	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(10,000)	40,530	50,530
FUND BALANCES (DEFICIT), beginning of year	236,766	236,766	-
FUND BALANCES (DEFICIT), end of year	$ 226,766	$ 277,296	$ 50,530

Griffin Judicial Circuit Drug Court		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,482	4,482	-
$ 4,482	$ 4,482	$ -

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, 2016

	2008 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ 24,669	$ 24,669
Interest	-	12	12
Total revenues	-	24,681	24,681
EXPENDITURES			
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	24,681	24,681
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(791,759)	(791,759)
Total other financing sources (uses)	-	(791,759)	(791,759)
Net change in fund balances	-	(767,078)	(767,078)
FUND BALANCES, beginning of year	767,281	767,281	-
FUND BALANCES, end of year	$ 767,281	$ 203	$ (767,078)

2016 SPLOST Debt Service			GMA Lease Pool		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ 100,767	$ -	$ (100,767)	$ -	$ -	$ -
-	-	-	150,000	112,410	(37,590)
100,767	-	(100,767)	150,000	112,410	(37,590)
-	-	-	-	-	-
100,767	-	100,767	129,750	128,750	1,000
100,767	-	100,767	129,750	128,750	1,000
-	-	-	20,250	(16,340)	(36,590)
-	253,965	253,965	717,195	908,902	191,707
-	-	-	(737,445)	(680,336)	57,109
-	253,965	253,965	(20,250)	228,566	248,816
-	253,965	253,965	-	212,226	212,226
-	-	-	1,658,955	1,658,955	-
$ -	$ 253,965	$ 253,965	$ 1,658,955	$ 1,871,181	$ 212,226

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, 2016

	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	155,000	119,600	35,400
Debt service:			
Principal	-	-	-
Interest	-	-	-
Issuance costs	-	-	-
Total expenditures	155,000	119,600	35,400
Excess (deficiency) of revenues over (under) expenditures	(155,000)	(119,600)	35,400
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	-	-
Bond premiums	-	-	-
Transfers in	20,000	20,000	-
Transfers out	-	-	-
Total other financing sources (uses)	20,000	20,000	-
Net change in fund balances	(135,000)	(99,600)	35,400
FUND BALANCES, beginning of year	157,108	157,108	-
FUND BALANCES, end of year	$ 22,108	$ 57,508	$ 35,400

Impact Fees			Capital Projects 2016 SPLOST		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -	$ 1,222,493	$ 1,502,734	$ 280,241
-	-	-	-	-	-
238,980	365,398	126,418	-	-	-
-	-	-	2,100	2,104	4
238,980	365,398	126,418	1,224,593	1,504,838	280,245
69,500	8,069	61,431	-	-	-
-	-	-	-	-	-
1,150,887	-	1,150,887	10,612,832	1,603,552	9,009,280
109,427	-	109,427	-	2,675,195	(2,675,195)
16,386	-	16,386	-	240,117	(240,117)
-	-	-	250,572	250,572	-
1,346,200	8,069	1,338,131	10,863,404	4,769,436	6,093,968
(1,107,220)	357,329	1,464,549	(9,638,811)	(3,264,598)	6,374,213
-	-	-	8,800,000	8,800,000	-
-	-	-	1,019,527	1,019,527	-
-	-	-	-	-	-
-	-	-	-	(445,672)	(445,672)
-	-	-	9,819,527	9,373,855	(445,672)
(1,107,220)	357,329	1,464,549	180,716	6,109,257	5,928,541
1,317,769	1,317,769	-	-	-	-
$ 210,549	$ 1,675,098	$ 1,464,549	$ 180,716	$ 6,109,257	$ 5,928,541

(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, 2016

	Capital Projects 2008 SPLOST		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	$ -	$ -	$ -
Intergovernmental	-	1,100	1,100
Charges for services	-	-	-
Interest	-	334	334
Total revenues	-	1,434	1,434
EXPENDITURES			
Current:			
General government	1,500	-	1,500
Intergovernmental	51,000	312,493	(261,493)
Capital outlay	15,600,000	7,571,201	8,028,799
Debt service:			
Principal	-	-	-
Interest	1,500	-	1,500
Total expenditures	15,654,000	7,883,694	7,770,306
Excess (deficiency) of revenues over (under) expenditures	(15,654,000)	(7,882,260)	7,771,740
OTHER FINANCING SOURCES (USES)			
Transfers in	-	791,759	791,759
Transfers out	-	-	-
Total other financing sources (uses)	-	791,759	791,759
Net change in fund balances	(15,654,000)	(7,090,501)	8,563,499
FUND BALANCES, beginning of year	16,388,965	16,388,965	-
FUND BALANCES, end of year	$ 734,965	$ 9,298,464	$ 8,563,499

Capital Projects 2005 SPLOST		
Final Budget	Actual	Variance With Final Budget
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
500,002	500,002	-
$ 500,002	$ 500,002	$ -

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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	$ 15,837,418	$ 4,529,018	$ 20,366,436
Acquisition, construction, improvements and additions to Griffin Technical College	7,000,000	7,000,000	560,479	99,730	660,209
Acquisition of bus for use by senior citizens and other residents	150,000	150,000	126,150	1,677	127,827
Water and sewerage system improvements	2,500,000	2,500,000	67,568	233	67,801
Roads, streets, bridges and transportation improvements and equipment	8,274,197	8,274,197	3,176,269	2,940,543	6,116,812
City of Griffin	10,924,198	10,924,198	9,961,567	242,453	10,204,020
City of Orchard Hill	475,605	475,605	374,504	50,245	424,749
City of Sunny Side	100,000	100,000	69,493	19,795	89,288
Bond interest expense	3,326,000	3,326,000	3,025,240	-	3,025,240
	$ 54,000,000	$ 54,000,000	$ 33,198,688	$ 7,883,694	$ 41,082,382

SPALDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2016 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Retirement of outstanding indebtedness	$ 3,070,000	$ 3,070,000	$ -	$ 3,107,018	$ 3,107,018
Acquisition and installation of a Computer Aided Dispatch (CAD) and phone system for E911	1,000,000	1,000,000	-	603,657	603,656
Equipment for the Senior Nutrition Program	120,000	120,000	-	120,000	120,000
Judicial computer hardware and software upgrades	675,000	675,000	-	143,761	143,761
Acquisition and construction of a pickleball facility	957,000	957,000	-	58,317	58,317
Fairmont Park improvements	920,000	920,000	-	90	90
Heritage Park improvements	995,000	995,000	-	66,134	66,134
Acquisition and installation of lighting for soccer at Wyomia Tyus Park	460,000	460,000	-	444,691	444,691
Relocation of 800MHz equipment from Highway 155	426,400	426,400	-	112,880	112,880
Acquisition and equipping of fire trucks, tankers and extraction tools for the Fire Department	831,000	831,000	-	-	-
Renovation of the Animal Control facility	1,185,000	1,185,000	-	-	-
Acquisition and equipping of materials for the Griffin-Spalding Library System	250,000	250,000	-	-	-
Improvements to AMBUCS Park, City Park, Dundee Lake Park and Wyomia Tyus Park	1,031,700	1,031,700	-	-	-
Construction and equipping of a new aquatics center	4,690,000	4,690,000	-	-	-
Acquisition of vehicles and equipment for the Sheriff's Department Gang Reduction and Intervention Program (GRIP)	270,000	270,000	-	-	-
Roads, streets, bridges and transportation improvements and equipment	8,705,851	8,705,851	-	13,823	13,823
City of Orchard Hill	491,452	491,452	-	20,498	20,498
City of Sunny Side	352,430	352,430	-	19,701	19,701
Bond interest expense	1,625,167	1,625,167	-	-	-
	$ 28,056,000	$ 28,056,000	$ -	$ 4,710,570	$ 4,710,570

Total expenditures reconciliation:

Amount above less expenditures originally paid for by the County's General Fund prior to the collection of SPLOST revenues	(191,706)
Transfer to 2016 SPLOST Debt Service fund	(253,966)
Transfer from 2016 SPLOST Capital Projects fund	253,966
Bond issuance costs paid from proceeds received through issuance of SPLOST bonds	250,572
Total 2016 SPLOST expenditures	$ 4,769,436

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, 2016

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Superior Court
ASSETS				
Cash	$ 321,301	$ 113,827	$ 14,897	$ 409,996
Taxes receivable	2,792,150	-	-	-
Accounts receivable	26,001	-	-	-
Total assets	$ 3,139,452	$ 113,827	$ 14,897	$ 409,996
LIABILITIES				
Due to others	$ 3,139,452	$ 113,827	$ 14,897	$ 409,996

Correctional Institution	Sheriff	Total
$ 34,418	$ 318,089	$ 1,212,528
-	-	2,792,150
-	-	26,001
$ 34,418	$ 318,089	$ 4,030,679
$ 34,418	$ 318,089	$ 4,030,679

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Tax Commissioner				
ASSETS				
Cash	$ 227,355	$ 31,900,223	$ 31,806,277	$ 321,301
Taxes receivable	3,407,608	2,792,150	3,407,608	2,792,150
Accounts receivable	22,524	26,001	22,524	26,001
Total assets	$ 3,657,487	$ 34,718,374	$ 35,236,409	$ 3,139,452
LIABILITIES				
Due to others	$ 3,657,487	$ 34,718,374	$ 35,236,409	$ 3,139,452
Magistrate Court				
ASSETS				
Cash	$ 89,772	$ 375,487	$ 351,432	$ 113,827
LIABILITIES				
Due to others	$ 89,772	$ 375,487	$ 351,432	$ 113,827
Probate Court				
ASSETS				
Cash	$ 12,746	$ 97,638	$ 95,487	$ 14,897
LIABILITIES				
Due to others	$ 12,746	$ 97,638	$ 95,487	$ 14,897
Clerk of Superior Court				
ASSETS				
Cash	$ 292,515	$ 1,101,032	$ 983,551	$ 409,996
LIABILITIES				
Due to others	$ 292,515	$ 1,101,032	$ 983,551	$ 409,996

SPALDING COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Correctional Institution				
ASSETS				
Cash	$ 18,471	$ 433,468	$ 417,521	$ 34,418
LIABILITIES				
Due to others	$ 18,471	$ 433,468	$ 417,521	$ 34,418
Sheriff				
ASSETS				
Cash	$ 279,788	$ 151,155	$ 112,854	$ 318,089
LIABILITIES				
Due to others	$ 279,788	$ 151,155	$ 112,854	$ 318,089
Total Agency Funds				
ASSETS				
Cash	$ 920,647	$ 34,059,003	$ 33,767,122	$ 1,212,528
Taxes receivable	3,407,608	2,792,150	3,407,608	2,792,150
Accounts receivable	22,524	26,001	22,524	26,001
Total assets	$ 4,350,779	$ 36,877,154	$ 37,197,254	$ 4,030,679
LIABILITIES				
Due to others	$ 4,350,779	$ 36,877,154	$ 37,197,254	$ 4,030,679

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
COMPONENT UNIT - WATER AUTHORITY
JUNE 30, 2016

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 10,028,353
Accounts receivable	913,146
Due from primary government	2,040
Restricted assets, cash and cash equivalents	610,724
Total current assets	11,554,263
NONCURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	13,500
Capital assets, depreciable, net of accumulated depreciation	24,018,733
Total capital assets	24,032,233
Total noncurrent assets	24,032,233
Total assets	35,586,496
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	946,637
Total deferred outflows of resources	946,637
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	33,434
Accrued liabilities	5,036
Current portion of compensated absences payable	9,233
Current portion of bonds payable from restricted assets	475,000
Accrued interest	143,554
Total current liabilities	666,257
NONCURRENT LIABILITIES	
Compensated absences payable, net of current portion	6,155
Bonds payable, net of current portion	12,033,623
Total noncurrent liabilities	12,039,778
Total liabilities	12,706,035
NET POSITION	
Net investment in capital assets	11,523,612
Unrestricted	12,303,486
Total net position	$ 23,827,098

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

OPERATING REVENUES	
Charges for services	$ 7,762,610
Total operating revenues	7,762,610
OPERATING EXPENSES	
Personal services and employee benefits	235,460
Contracted services	5,261,488
Material and supplies	189,093
Other operating expenses	69,887
Depreciation	699,943
Total operating expenses	6,455,871
Operating income	1,306,739
NON-OPERATING (EXPENSES)	
Interest expense	(672,967)
Total non-operating (expenses)	(672,967)
Change in net position	633,772
NET POSITION, beginning of year	23,193,326
NET POSITION, end of year	$ 23,827,098

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - WATER AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	7,586,379
Payments to employees		64,072
Payments to suppliers for goods and services provided		(5,531,679)
Net cash provided by operating activities		2,118,772
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		(609,590)
Principal payments on long-term borrowings		(285,000)
Interest payments on long-term borrowings		(715,268)
Net cash used in capital and related financing activities		(1,609,858)
Net increase in cash and cash equivalents		508,914
Cash and cash equivalents, beginning of year		10,130,163
Cash and cash equivalents, end of year	$	10,639,077
Reconciliation to the statement of net position:		
Cash	$	10,028,353
Restricted cash		610,724
Total	$	10,639,077
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	1,306,739
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		699,943
Increase in accounts receivable		(176,231)
Decrease in deferred outflows of resources		298,938
Increase in accrued liabilities		594
Decrease in accounts payable		(11,211)
Net cash provided by operating activities	$	2,118,772

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 ..... **108 – 115**

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 ..... **116 – 121**

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

Debt Capacity ..... **122 – 125**

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 ..... **126 and 127**

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 ..... **128 – 131**

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				
	2007	2008	2009	2010	2012
Primary government:					
Governmental activities:					
Investment in capital assets	$ 76,031,982 (1)	$ 84,301,495	$ 86,170,339	$ 85,388,780	$ 82,982,348
Restricted	16,904,691	21,043,484	19,227,417	21,882,136	20,114,417
Unrestricted	1,486,098	1,083,258	(11,532,360)	(11,601,739)	(9,704,012)
Total primary government net position	$ 94,422,771	$ 106,428,237	$ 93,865,396	$ 95,669,177	$ 93,392,753

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

2012	2013	2014	2015	2016
$ 82,563,218	$ 85,013,668	$ 84,742,325	$ 85,020,018	$ 80,220,168
23,034,482	22,485,176	22,961,705	22,977,148	22,603,433
(7,948,212)	(6,712,169)	(2,321,893)	(4,259,173)	(3,484,551)
$ 97,649,488	$ 100,786,675	$ 105,382,137	$ 103,737,993	$ 99,339,050

SPALDING COUNTY, GEORGIA

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	$ 5,333,341	$ 5,608,517	$ 6,640,547	$ 7,107,940	$ 7,417,820
Judicial	5,002,948	5,482,736	4,584,031	4,528,384	4,617,323
Public safety	25,519,501	26,428,329	25,241,705	26,524,500	28,442,241
Public works	6,137,324	5,762,303	6,809,609	5,398,943	5,374,364
Health and welfare	872,270	1,117,554	911,148	1,095,175	934,364
Culture and recreation	2,942,031	3,006,773	2,731,539	2,643,500	2,677,153
Housing and development	1,958,546	2,953,544 (2)	17,475,860 (4)	4,522,298	6,118,772
Interest on long-term debt	911,715	841,040	982,324	1,145,336	1,085,318
Total primary government expenses	$ 43,503,997	$ 51,200,796	$ 65,376,763	$ 52,966,076	$ 56,667,355
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 2,035,121	$ 2,095,676	$ 2,138,686	$ 1,983,902	$ 1,956,814
Judicial	2,501,320	2,494,816	2,273,881	1,912,642	1,890,553
Public safety	5,360,736	5,238,813	4,835,871	5,968,936	5,656,679
Other activities	964,648	973,826	874,976	424,059	353,893
Operating grants and contributions	2,091,802	2,669,648	1,332,716	1,601,575	1,954,506
Capital grants and contributions	2,780,011	7,288,834 (3)	1,090,102	829,112	761,524
Total primary government program revenues	$ 16,326,942	$ 20,761,613	$ 12,546,232	$ 12,720,226	$ 12,573,969
Net (expense)/revenue					
Total primary government net expense	$ (27,177,055)	$ (30,439,183)	$ (52,830,531)	$ (40,245,850)	$ (44,093,386)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 20,055,001	$ 21,553,608	$ 22,220,678	$ 23,667,798	$ 24,304,835
Alcoholic beverage taxes	313,605	315,042	352,417	330,645	342,638
Vehicle taxes	1,734,970	1,828,660	1,759,125	1,670,521	1,758,346
Sales taxes	14,836,157 (1)	14,890,517	13,000,013	13,657,070	12,772,683
Intangible taxes	466,888	378,856	230,473	193,729	197,775
Insurance premium taxes	1,596,904	1,679,166	1,720,094	1,695,431	1,648,929
Hotel/motel taxes	118,899	110,198	99,947	89,395	96,106
Other taxes	530,756	554,588	501,048	508,020	498,342
Unrestricted investment earnings	1,774,030	1,134,014	391,847	229,070	197,308
Total primary government	$ 32,097,752	$ 42,444,649	$ 40,275,642	$ 42,041,679	$ 41,816,962
Change in Net Position					
Total primary government	$ 4,920,697	$ 12,005,466	$ (12,554,889)	$ 1,795,829	$ (2,276,424)

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

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

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

(4) 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.

2012	2013	2014	2015	2016
$ 7,236,133	$ 7,179,178	$ 7,034,101	$ 5,496,857	$ 6,313,727
5,088,552	4,858,593	4,794,545	4,938,181	4,801,190
28,124,718	27,907,077	27,191,157	27,544,324	28,428,857
4,339,173	4,423,522	7,115,261	2,688,331	4,512,690
620,797	615,933	569,205	574,334	576,772
2,848,613	2,586,924	2,394,204	2,499,384	3,071,094
996,194	793,346	825,926	1,830,357	5,636,437
909,418	749,441	561,341	364,470	759,213
$ 50,163,598	$ 49,114,014	$ 50,485,740	$ 45,936,238	$ 54,099,980
$ 2,203,046	$ 1,813,058	$ 1,787,846	$ 2,318,583	$ 2,060,790
1,866,206	1,685,596	1,627,286	1,624,499	1,683,399
5,641,026	5,300,243	5,225,633	5,654,678	5,757,601
441,843	380,215	427,564	551,090	580,049
1,065,062	1,480,378	1,762,818	1,437,094	1,566,317
194,477	275,942	37,160	6,917	43,316
$ 11,411,660	$ 10,935,432	$ 10,868,307	$ 11,592,861	$ 11,691,472
$ (38,751,938)	$ (38,178,582)	$ (39,617,433)	$ (34,343,377)	$ (42,408,508)
$ 23,803,917	$ 23,156,753	$ 24,660,616	$ 23,979,331	$ 25,227,897
332,017	333,786	330,240	333,273	344,805
1,855,547	2,119,129	2,609,866	2,481,082	2,349,670
14,367,296	12,821,902	13,830,494	9,376,475	6,749,243
199,474	280,425	196,240	198,185	268,726
1,676,704	1,791,251	1,861,717	1,964,919	2,104,227
96,737	110,037	116,554	121,465	98,582
514,422	539,489	528,494	525,761	754,005
162,559	162,997	148,120	142,586	112,410
$ 43,008,673	$ 41,315,769	$ 44,282,341	$ 39,123,077	$ 38,009,565
$ 4,256,735	$ 3,137,187	$ 4,664,908	$ 4,779,700	$ (4,398,943)

SPALDING COUNTY, GEORGIA

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

	Fiscal Year				
	2007	2008	2009	2010	2011 (3)
General Fund					
Reserved	$ 368,372	$ 854,839	$ 391,364	$ 193,337	$ -
Unreserved	7,441,021	5,760,262	3,736,485	4,310,343	-
Assigned	-	-	-	-	2,622,751
Unassigned	-	-	-	-	899,412
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	2,837,624	817,703	1,017,770	119,813	-
Debt service funds	-	-	-	-	-
Capital projects funds	17,907,036	21,956,132	17,549,649	- (2)	-
Unreserved, reported in					
Special revenue funds	87,568	2,279,816	2,131,909	2,382,741	-
Debt service funds	980,585	1,645,495	2,488,738	5,133,237	-
Capital projects funds	-	-	-	15,937,937 (2)	-
Restricted	-	-	-	-	21,353,846
Assigned	-	-	-	-	304,984
Unassigned	-	-	-	-	(21,258)
Total All Other Governmental Funds	17,863,403	21,812,813	26,699,146	23,188,066	23,573,728
Total Governmental Funds					
Reserved	21,113,032	23,628,674	18,958,783	313,150	-
Unreserved	8,509,174	9,685,573	8,357,132	27,764,258	-
Restricted	-	-	-	-	21,353,846
Assigned	-	-	-	-	2,927,735
Unassigned	-	-	-	-	878,154
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.

2012	2013	2014	2015	2016
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
1,625,609	1,428,381	1,524,540	1,734,488	1,734,488
1,289,814	396,132	1,138,875	1,562,527	2,665,611
-	2,915,423	1,824,513	3,297,015	4,400,099
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
24,058,981	23,348,779	24,150,690	23,903,282	23,487,582
325,324	257,207	137,122	157,108	57,508
(105,694)	(17,473)	-	(325)	(98,329)
21,637,572	24,278,611	23,588,513	24,060,065	23,446,761
-	-	-	-	-
-	-	-	-	-
24,058,981	23,348,779	24,150,690	23,903,282	23,487,582
1,950,933	1,685,588	1,661,662	1,891,596	1,791,996
1,184,120	378,659	1,138,875	1,562,202	2,567,282
$ 25,159,735	$ 27,194,034	$ 25,413,026	$ 27,357,080	$ 27,846,860

SPALDING COUNTY, GEORGIA

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

	2007	2008	2009	2010	2011
REVENUES					
Taxes	$ 39,588,769	$ 41,016,163	$ 39,081,402	$ 41,747,867	$
Licenses and permits	494,594	506,669	257,521	284,908	
Intergovernmental	2,572,835	2,828,096	2,386,769	2,032,718	
Court fees, fines and forfeitures	2,459,784	2,340,361	1,989,226	1,931,150	
Charges for services	6,553,279	6,559,966	6,161,406	6,464,925	
Interest	1,749,835	1,110,755	370,041	180,614	
Contributions and donations	45,438	49,377	35,570	70,532	
Rentals	330,726	348,312	264,703	208,565	
Other	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	5,327,181	4,404,695	5,552,819	5,596,919	
Judicial	5,022,688	5,463,165	4,565,696	4,497,537	
Public safety	24,570,875	25,399,762	24,802,278	25,556,186	
Public works	5,495,926	4,139,302	5,182,092	4,025,335	
Health and welfare	865,089	1,107,197	900,790	1,084,818	
Culture and recreation	2,799,932	2,747,082	2,529,675	2,407,369	
Housing and development	1,846,593	1,337,687	1,228,864	864,002	
Intergovernmental	-	-	951,526 (2)	1,591,440	
Capital outlay	3,396,770	4,693,677	24,171,588	5,990,744	
Debt service					
Principal	4,053,946 (1)	4,408,523	4,292,719	809,430	
Interest	950,671	816,256	680,715	1,137,029	
Issuance costs	-	-	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	489,152	1,302,351	(23,119,080)	761,493	
OTHER FINANCING SOURCES (USES)					
Transfers in	4,604,763	2,927,705	1,788,199	1,358,499	
Transfers out	(4,604,763)	(2,927,705)	(1,788,199)	(1,358,499)	
Issuance of general obligation bonds	-	-	15,500,000	-	
Premium on bond issue	-	-	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	10.07%	10.10%	7.90%	3.87%	8.63%

(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.

2012	2013	2014	2015	2016
$ 43,300,961	$ 40,600,157	$ 44,079,395	$ 39,399,484	$ 38,044,455
213,767	192,893	227,586	446,798	418,321
1,230,452	1,712,109	1,784,111	1,430,352	1,464,375
1,693,715	1,640,502	1,455,478	1,649,797	1,574,445
6,331,877	5,997,745	5,996,839	6,476,550	6,395,476
160,259	151,839	151,156	149,490	122,429
8,645	42,094	6,580	6,515	7,190
197,315	177,095	172,800	230,493	200,242
1,735,452	1,172,539	1,215,928	1,345,439	1,588,107
54,117,497	54,872,443	51,686,973	51,134,918	49,815,040
5,282,991	4,870,294	4,406,367	4,787,118	5,601,742
4,534,222	4,231,806	4,331,535	4,453,014	4,209,749
27,581,114	26,894,567	27,261,190	28,032,298	28,089,221
3,697,648	3,492,002	3,874,610	3,291,378	3,544,994
620,797	614,442	570,127	572,952	555,399
2,761,468	2,417,196	2,265,625	2,596,783	2,469,123
795,127	779,043	882,691	859,778	896,855
1,481,675	1,760,066	2,278,890	304,851	312,493
1,255,926	3,591,788	2,954,068	1,259,214	9,370,601
3,891,216	4,036,121	4,081,346	4,140,010	3,306,685
935,960	780,656	645,223	431,669	438,481
-	-	-	-	250,572
57,035,170	52,838,144	53,467,981	50,729,065	59,045,915
2,034,299	(1,781,008)	(1,781,008)	405,853	(9,230,875)
1,535,051	1,309,771	1,636,593	1,799,381	2,924,615
(1,535,051)	(1,309,771)	(1,636,593)	(1,799,381)	(2,924,615)
-	-	-	-	8,800,000
-	-	-	-	1,019,527
-	-	-	-	-
-	-	-	-	-
-	-	-	-	9,819,527
$ (2,917,673)	$ 2,034,299	$ (1,781,008)	$ 405,853	$ 588,652
9.57%	9.89%	9.12%	9.62%	7.31%

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	
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
2016	1,519,814,420	79,819,338	1,455,865	205,799,187	1,395,290,436

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 Direct Tax Rate	Total Taxable Property: Estimated Actual Value	Assessed Value as a Percentage of Actual Value
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%
16.01	3,488,226,090	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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Spalding County direct rates:										
Unincorporated maintenance and operations	17.12	17.84	17.66	18.50	18.18	18.50	18.73	19.70	19.62	19.60
Sales tax reduction	(3.73)	(3.95)	(3.78)	(3.62)	(3.37)	(3.49)	(3.72)	(3.69)	(3.61)	(3.59)
Total direct rate	13.39	13.89	13.88	14.88	14.81	15.01	15.01	16.01	16.01	16.01
Municipal rates:										
City of Griffin:										
Maintenance and operations	8.63	8.60	8.64	8.64	8.64	8.64	8.64	8.64	8.40	7.89
City of Orchard Hill maintenance and operations	4.95	4.95	4.95	4.95	4.95	4.95	5.00	6.31	6.31	6.31
City of Sunny Side maintenance and operations	4.36	4.36	4.36	4.36	4.29	4.29	4.08	5.00	5.00	5.00
Fire protection (1)	4.81	4.83	4.82	5.04	5.98	5.92	6.00	6.10	6.22	6.31
Insurance premium rollback (1)	(1.76)	(1.79)	(1.79)	(1.81)	(1.81)	(1.75)	(1.83)	(1.93)	(2.05)	(2.14)
Board of Education	18.82	18.81	18.80	18.80	18.80	19.06	19.47	19.47	19.47	18.74
State of Georgia	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.15	0.10	0.05
Total Unincorporated Spalding County	35.51	35.99	35.96	37.16	38.03	38.49	38.90	39.80	39.75	38.97
Total Municipalities:										
City of Griffin	41.09	41.55	41.57	42.57	42.50	42.96	43.37	44.24	43.98	42.69
City of Orchard Hill	37.41	37.90	37.88	38.88	38.81	39.27	39.73	41.94	41.89	41.11
City of Sunny Side	36.82	37.31	37.29	38.29	38.15	38.61	38.81	40.63	40.58	39.80

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	$ 103,574,040	1	7.42%
Norcom	Office/school products manufacturing	69,662,121	2	4.99%
Tenet/Spalding Regional Hospital	Hospital	58,948,232	3	4.22%
Hoshizaki	Commercial refrigeration systems	40,769,560	4	2.92%
Coveris Holding Corporation	Flexible packaging manufacturing	32,118,511	5	2.30%
A E P Industries	Packaging film manufacturing	31,224,981	6	2.24%
Pulte Home Corporation	Residential development	22,890,467	7	1.64%
Wal-Mart Stores, Inc.	Retail	22,376,812	8	1.60%
1888 Mills Group LLC	Terry cloth towels	22,187,822	9	1.59%
North Griffin Square LLC	Commercial real estate	21,231,642	10	1.52%
NACOM Corporation	Automotive electronics	-	-	-
North Spalding Development Company	Commercial real estate	-	-	-
BellSouth Telecommunications	Public utility	-	-	-
Weyerhauser Company	Corrugated manufacturing	-	-	-
Central Georgia EMC	Public utility	-	-	-
Total		$ 424,984,188		30.46%

SOURCE:
Spalding County Tax Commissioner's Office.

	Fiscal Year 2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
$	19,153,132	2	1.38%
	-		-
	13,545,478	3	0.98%
	11,545,647	4	0.83%
	-		-
	8,154,581	6	0.59%
	-		-
	10,007,621	5	0.72%
	-		-
	-		-
	31,955,113	1	2.30%
	7,805,375	7	0.56%
	7,578,548	8	0.55%
	6,181,435	9	0.45%
	6,081,496	10	0.44%
$	122,008,426		8.79%

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
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%	585,209	20,268,776	93.05%
2016	22,285,525	20,805,491	93.36%	-	20,805,491	93.36%

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)
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
2016	9,819,527	2,500,000	-	12,319,527	N/A	192

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)
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%	-
2016	9,819,527	253,965	9,565,562	0.27%	149

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			
	2007	**2008**	**2009**	**2010**
Debt limit	$ 157,114,254	$ 166,448,056	$ 169,533,396	$ 170,235,558
Total net debt applicable to limit	7,059,361	7,035,000	3,580,000	15,500,000
Legal debt margin	$ 150,054,893	$ 159,413,056	$ 165,953,396	$ 154,735,558
Total net debt applicable to the limit as a percentage of debt limit	4.49%	4.23%	2.11%	9.11%

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.

2011	2012	2013	2014	2015	2016
$ 167,952,360	$ 165,806,624	$ 160,438,300	$ 160,583,679	$ 157,043,795	$ 139,529,044
15,500,000	12,600,000	9,600,000	6,500,000	-	8,800,000
$ 152,452,360	$ 153,206,624	$ 150,838,300	$ 154,083,679	$ 157,043,795	$ 130,729,044
9.23%	7.60%	5.98%	4.05%	0.00%	6.31%

Legal Debt Margin Calculation for Fiscal Year 2016

Total assessed value	$ 1,601,089,623
Less exemptions	205,799,187
Total taxable assessed value	1,395,290,436
Debt limit (10% of assessed value)	139,529,044
Debt applicable to limit:	
General obligation bonds	8,800,000
Total net debt applicable to limit	8,800,000
Legal debt margin	$ 130,729,044

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)
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%
2016	64,051	N/A	N/A	10,261	6.70%

SOURCES:

(1) Bureau of Economic Analysis: Regional Economic Accounts

(2) Spalding County Board of Education

(3) U.S. Bureau of Labor Statistics

N/A Information not yet available

SPALDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

		Fiscal Year 2016			Fiscal Year 2007		
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	4.70 %	1,650	1	5.13 %
Caterpillar, Inc.	Automotive generators	900	2	2.90	780	3	2.42
Spalding Regional Medical Center	Healthcare	900	3	2.90	1,000	2	3.11
CareMaster Medical	Home Nursing	600	4	1.94	-		-
Spalding County	Government	553	5	1.78	529	5	1.64
City of Griffin	Government	466	8	1.50	477	6	1.48
University of Georgia Griffin Campus	Agricultural research education	405	6	1.31	300	10	0.93
Southern Crescent Technical College	Education	360	7	1.16	366	9	1.14
Norcom	School supplies	280	9	0.90	-		-
AEP Industries, Inc.	Packaging film	250	10	0.81	-		-
1888 Mills/Southern Terry	Terry cloth towels	-	-		400	8	1.24
NACOM Corporation	Automotive electronics	-	-		440	7	1.37
Springs Industries	Finished cotton goods	-	-	-	600	4	1.86
Totals		6,171		19.91 %	6,542		20.33 %

SOURCE:

Griffin-Spalding County Development Authority

SPALDING COUNTY, GEORGIA

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	49	50	51	50	50	50	49	45	46	48
Judicial	49	50	50	50	50	51	50	48	47	43
Public Safety										
Sheriff										
Officers	151	151	148	156	154	155	155	155	157	157
Civilians	35	34	34	36	35	40	38	35	38	35
Correctional Institution										
Officers	76	77	77	78	78	78	77	77	74	75
Civilians	6	6	7	7	6	7	6	6	6	7
Fire										
Firefighters and officers	68	68	68	80	80	82	81	81	82	81
Civilians	2	2	2	2	2	2	1	1	1	1
Animal Control	5	5	5	5	5	5	5	5	5	5
Coroner	1	1	1	1	1	1	1	1	1	1
Emergency 911	26	26	26	26	26	26	26	26	26	26
800 MHz Communications	0	0	0	1	1	1	1	1	1	1
Homeland Security	1	1	1	1	1	1	1	1	1	1
Juvenile Probation	6	6	6	6	6	6	6	6	6	6
Public Works										
Streets and highways	35	35	35	35	35	35	35	35	32	32
Solid waste	17	17	17	17	17	17	10	10	9	10
Health and Welfare	1	1	1	1	1	1	1	1	1	5
Culture and Recreation	36	40	42	38	37	38	36	34	31	34
Housing and Development	14	15	15	15	15	15	15	15	12	12
Total Governmental Funds	576	582	584	602	598	609	593	581	574	577

SOURCE:

Spalding County Human Resources Department

SPALDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Sheriff:										
Physical arrests	2,705	3,412	3,066	3,154	2,831	2,477	1,124	1,019	1,764	1,376
Traffic violations	2,158	2,160	1,625	1,114	1,269	1,397	1,528	1,125	679	640
Fire District:										
Calls answered	1,624	1,524	1,379	1,374	1,710	1,619	1,734	1,747	2,379	3,534
Inspections	235	277	234	448	394	311	267	390	265	512
Public Works										
Street resurfacing (miles)	15	-	18	10	3	7	6	27	-	15

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	37	40	42	43	45	45	53	40	48	50
Fire District:										
Fire stations	6	6	6	7	7	7	7	7	7	7
Fire trucks	10	13	12	13	11	9	11	9	10	12
Public Works										
Roads (miles)	431	438	438	440	445	446	447	448	451	457
Culture and Recreation										
Parks acreage	483	485	497	497	509	509	509	509	509	509
Playgrounds	11	11	13	13	13	13	13	13	13	13
Baseball/Softball diamonds	19	19	20	20	20	20	20	20	20	20
Soccer fields	11	11	7	7	7	7	7	7	7	7
Football fields	2	2	2	2	3	3	3	2	2	2
Recreation centers	3	3	3	3	4	4	4	4	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	0	1	1	1	1	1	1	1	1	1
Walking trails	8	8	8	8	10	10	10	9	9	9
Disc golf courses	0	0	0	0	0	0	0	0	0	1

SOURCE:

Various County departments.

NOTE:

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

SPALDING COUNTY, GEORGIA

ONE PERCENT SALES AND USE TAX COLLECTIONS
LAST TEN FISCAL YEARS

One Percent Sales and Use Tax Collections (1)

Fiscal Year	Amount	
2007	$ 8,959,455	(2)
2008	9,283,633	
2009	8,603,346	(3)
2010	8,488,998	
2011	8,375,663	
2012	8,700,282	
2013	8,485,914	
2014	8,200,363	
2015	8,523,104	
2016	1,371,784	(4)

Source:
Georgia Department of Revenue

Notes:
(1) The data shown reflects total collections (includes both the County's and the Cities' portions) of the County's special purpose one percent local option sales and use tax.
(2) The 2005 SPLOST collections began January 1 2006 and ended December 31, 2008.
(3) The 2008 SPLOST collections began January 1, 2009 and ended December 31, 2014.
(4) The 2015 SPLOST collections began April 1, 2016.

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	
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
2016	7,762,610	5,755,928	2,006,682	285,000	715,268	1,000,268	2.01

(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
Spalding County Law Enforcement Complex	Government	1	15,619,100	153,157	1.93 %
Bova/Trimark Northside, LLC	Apartment homes	2	12,927,700	125,470	1.58
Spalding County Correctional Institution	Government	3	8,072,000	79,011	1.00
Brightmoor Health	Nursing home	4	7,631,400	74,739	0.94
Caterpillar, Inc.	Power generation systems	5	6,518,900	63,833	0.80
AEP Industries, Inc.	Packaging film	6	6,024,900	58,847	0.74
Sun City Peachtree Homeowners Association	Retirement Community	7	5,460,400	53,728	0.68
Sumika Polymer Compounds	Plastic compounds for automotive parts	8	3,719,100	35,926	0.45
Wolf Creek Homes	Town Homes	9	3,719,100	36,195	0.46
MHP Griffin Air	Mobile Home Park	10	3,012,400	29,309	0.37
Total			72,705,000	$ 774,839	8.95 %

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
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
2016	12,943	740,362,000	7.37	9.21	10.10

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)
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
2016	4,764,166	6.60

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, 2016, 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 13, 2016. 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.

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 13, 2016

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016 due to the county not expending $750,000 or more of federal funds.

SPALDING COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016

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, 2016, 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 13, 2016, 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 the Uniform Guidance, 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 13, 2016

SPALDING COUNTY, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Program Name	Contract Number	Contract Period	Due From State June 30, 2015	Revenue Received	Expenditures	Due From State June 30, 2016
Community Services Block Grant	427-040-000035169	October 2014 - September 2015	$ -	$ 43,604	$ 43,604	$ -
Community Services Block Grant	427-040-000041826	October 2015 - September 2016	22,816	93,939	111,529	40,406
			$ 22,816	$ 137,543	$ 155,133	$ 40,406