# SPALDING COUNTY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE**
**FISCAL YEAR ENDED JUNE 30, 2018**

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

# SPALDING COUNTY, GEORGIA
## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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# I. INTRODUCTORY SECTION

Spalding COUNTY

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

COUNTY MANAGER
William P. Wilson, Jr.

COUNTY ATTORNEY
James R. Fortune, Jr.

December 4, 2018

To the Honorable Raymond T. Ray, Jr., 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, 2018.

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, 2018. 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, 2018. The dollar threshold of applicability requiring a single audit is $750,000 of which the County's program expenditures did not meet.

### *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 65,380. 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; homeland security; 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.

The annual budget serves as the foundation for Spalding County's financial planning and control. All departments, component units and agencies of Spalding County are required to submit requests for future appropriation to the County Manager in February 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 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 has been relatively stable until the recession and during the past ten years, the unemployment rate has been as low as 4.8 percent in 2018 and as high as 16.30 percent in 2009. The current unemployment rate for Spalding County at June 30, 2018 is 4.8 percent, while the State of Georgia rate is 4.1 percent.

Continuing development trends, both in terms of population and economic growth, are strongly influenced by the ongoing suburbanization of Spalding County. The issuance of single-family housing permits continued to increase during 2017 and Spalding County expects to issue in excess of 270 permits in 2018. Economic development continues with the announcement of our fourth industry in The Lakes at Green Valley, Georgia's first eco-friendly Industrial Park. Rinnai America announced their first US Production facility in late 2017 and opened the temporary facility in September 2018. This first USA manufacturing facility will create over 300 jobs and the permanent facility will break ground in 2019. They will join Marukan Vinegar's second U.S. Brewery, Otsuka Chemical Company, LTD's North American Headquarters and Toppan Printing Company, LTD's $100 million dollar investment in the park. Toppan Printing also expanded their facility

with a 15,000 square foot addition that was completed earlier this year. Several other sites within the park are currently 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 is now operational and is an $85 million-dollar investment that created 500 jobs for the area.

The local economy shows signs of improvement in the real estate market along with commercial construction and retail shopping development. WellStar Spalding Regional Hospital, one of the county's largest employers, is actively recruiting physicians to the community and continues improving healthcare in our area. Southern Crescent Technical College completed construction of the Georgia Film Institute on the Griffin campus to meet the growing demand for qualified film and production personnel in the State of Georgia. The new facility opened in January of 2018 and has already been utilized by several crews filming in the Spalding County area. The Griffin Regional College and Career Academy completed campus renovations of the former Spalding High School property last year and currently has over 275 students enrolled for the 2018 - 2019 school year.

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 that opened in January of 2017. This new center is the first of its kind in the Southeast and will provide a $92 million-dollar impact to the state's food industry. Construction was completed 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 UGA 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 world-class facilities at the UGA Griffin Campus adds 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 four new pods during 2018 bringing the total number of completed homes to 1,200. Spalding County is currently reviewing plans for additional pods to open in early 2019. 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. We estimate five years to completion.

*Progress update* (1): In 2012, the Airport Authority under FAA requirement commenced an Environmental Assessment that concluded in March 2013 with no significant findings. In FAA official terms, Finding No Significant Impact (FONSI).

Then, in 2014, in conjunction with GDOT, the Airport Authority submitted and received the defined airport property development area with final approval granted in 2015.

Currently, the Airport Authority is in the process of producing a Supplemental Environmental Assessment (SEA) based on its Airport Land Acquisition Phasing Plan (ALAPP). The airport project received the approved Airport Layout Plan (ALP) on November 15, 2017 which finalized the location of the new Airport and will allow the Authority to move forward with final design and construction of the facility.

*Progress update* (2): As part of the approximate 60 million dollar replacement Griffin-Spalding County Airport project, the Airport Authority is nearing completion of Phase-1 for Land Acquisition. Phase-1 is the GDOT/FAA approved purchase in accordance with Federal Land Acquisition and Relocation Regulations, for the first set of 41 parcels of land out of approximately 55 to 60 parcels pending acquisition. To date, the Airport Authority acquired 39 of the 41 approved parcels. Following Land Acquisition, we will move into Phase-2 Land Acquisition and Phase-1 Demolition, followed by land clearing, grading and installation of drainage controls. Soon after, runway and taxiway construction will follow.

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.

In July of 2016, Spalding County and the City of Griffin created 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 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 and system connectivity, expand mixed-uses, and 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 31 months of collections have exceeded estimates by 4.26% and are anticipated to increase in the coming years. 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. The City of Griffin and Spalding County issued general obligation bonds in early 2016 to fund a portion of the projects included on the ballot. The remainder of the projects will be funded on a "pay as you go" basis over six years of tax collections. Over 90% of the bonded projects have been completed and the remaining projects are well underway. Completed bonded projects include the construction of a Pickleball tournament complex, upgrade 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, soccer field lighting, relocation of an 800 MHz tower, and the retirement of outstanding long-term debt.

Improvements to Orchard Hill and Sunny Side parks, the purchase of a new fire truck and extrication tools, and the purchase of vehicles and equipment for the Sheriff's CAGE Unit have all been completed with pay as you go SPLOST funds. Work continues on County park and transportation improvements. RFP responses for architectural services for the renovation and expansion of the Spalding County Animal Shelter are due before the end of the year and a location for the Aquatics Center is to be finalized in the first quarter of 2019.

Spalding County, the City of Griffin and the Griffin Housing Authority jointly commissioned a housing study to provide an analysis of the housing conditions and needs of our community. This 2018 Study is intended to support planning efforts for the local partners in preparing for future growth, supporting housing options, improving the aesthetic quality of neighborhoods and contributing to economic development.

The Spalding County Water and Sewerage Facilities Authority and the Spalding County Board of Commissioners began negotiation of a long-term wholesale water contract with the City of Griffin and will be continuing those negotiations in addition to seeking additional treated water suppliers for the County's future. The current contract with the City of Griffin expires in December of 2020. The Authority commissioned a water leak assessment of the water system this year to assist in renegotiation of the contract and continues to work with our Engineers and legal team to obtain a favorable contract for future water needs.

In 2015 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 resources and other resources to the community. The Archway partnership provides a neutral platform where government leaders, 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 different ways to address community-driven priorities. Each year these three governmental units hold a retreat facilitated by the University of Georgia to develop a united action plan for the upcoming year. Since the inception of the program there has been over 50 students engaged in the program with over 20 faculty partnerships that generated over 40 projects. Those projects included a public relation/re-branding campaign implemented by the City of Griffin and Spalding County, re-invention of the Leadership Griffin-Spalding program designed to inspire individuals to get involved in the local community, and #RenewGriffin, a Young Professionals Community Development Program. The Archway Partnership also produced a Christmas assistance brochure which was developed through the Charity Tracker workgroup. Charity Tracker encouraged and enrolled most of the local charities in a tracking system for identification of recipients at Christmas in order to avoid abuse and duplication of services, and to better understand the needs of the community. The return on the local investment is minimal

compared to the dollar value of these projects alone, but the real return on the investment is the benefit to the community by having all three groups operating to accomplish a single set of goals rather than operating independently in a vacuum.

### *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 2018 General Fund actual revenues were less than appropriations ($42,308,086 versus $42,376,931), however, no appropriation of fund balance was necessary to balance the budget since actual expenditures were less than appropriations ($42,467,591 versus $44,448,705). Spalding County saw an increase in fund balance of $515,752 for fiscal year 2019.

### *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, 2017. This was the seventeenth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

William P. Wilson, Jr.
County Manager

Jinna L. Garrison, CPA
Administrative Services Director

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Spalding County**

**Georgia**

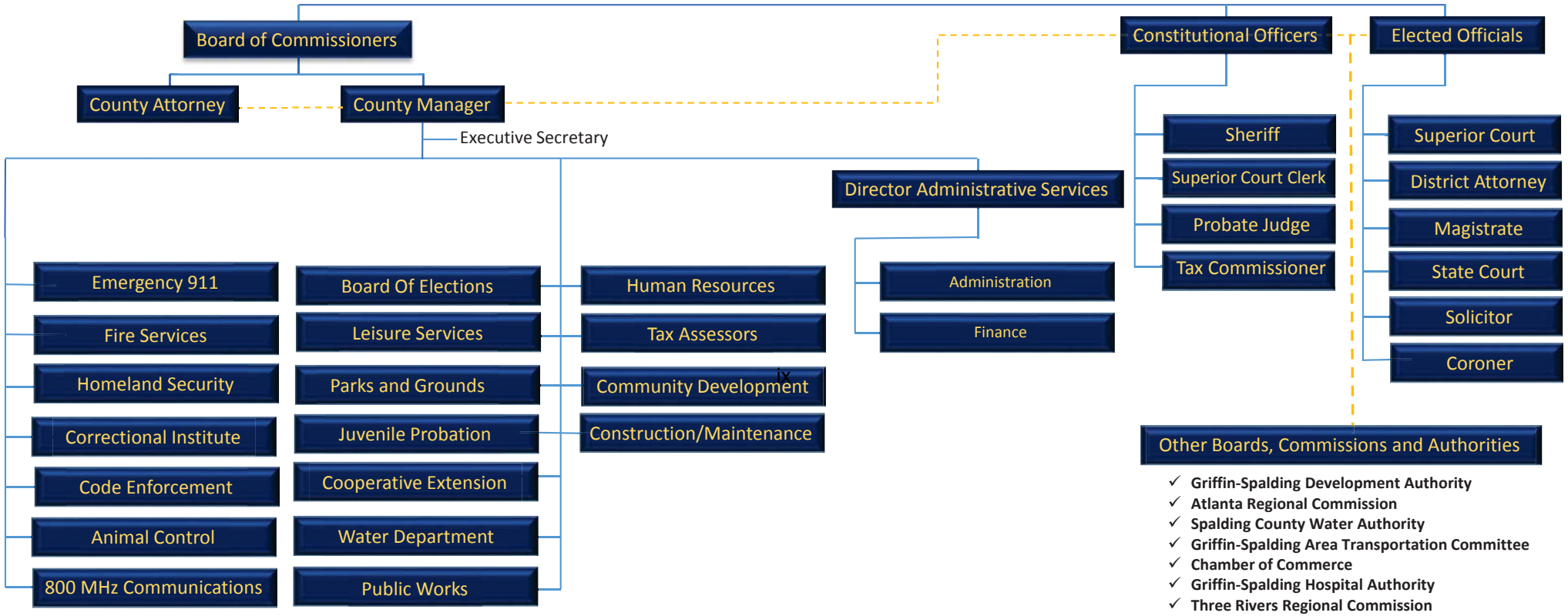
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2017**

Christopher P. Morrill

Executive Director/CEO

# Citizens of Spalding County




12/31/17

# SPALDING COUNTY, GEORGIA
## LIST OF PRINCIPAL OFFICIALS
## JUNE 30, 2018

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

**COUNTY MANAGER**
William P. Wilson, Jr.

**ADMINISTRATIVE SERVICES DIRECTOR**
Jinna L. Garrison, CPA

**COUNTY ATTORNEY**
James R. Fortune, Jr.

**SHERIFF**
James Darrell Dix

**TAX COMMISSIONER**
Sylvia W. Hollums

**CLERK OF SUPERIOR COURT**
Debbie L. Brooks

**STATE COURT JUDGE**
Josh W. Thacker

**PROBATE COURT JUDGE**
Jan Hunt

**MAGISTRATE COURT JUDGE**
Rita L. Cavanaugh

**DISTRICT ATTORNEY**
Benjamin Coker

**SUPERIOR COURT JUDGES**
Christopher C. Edwards
W. Fletcher Sams
Robert Mack Crawford
Scott Ballard

# 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, 2018, 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 $1,504,329 and $19,952,518, respectively, total net position of $(111,353) and $19,922,476, respectively, and total revenues of $1,691,034 and $562,817, respectively, which collectively represent 36.60%, 43.19%, and 21.15%, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Fire District Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Notes 11 and 18, Spalding County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for Spalding County, Georgia's total other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 13), the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (page 75), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 76), and the Schedule of County Contributions (page 77) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the 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 accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and are 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 4, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Spalding County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spalding County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 4, 2018

# SPALDING COUNTY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## JUNE 30, 2018

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, 2018. 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 and deferred outflows of resources of Spalding County exceeded its liabilities at June 30, 2018, by $92,560,804 (net position), a decrease of $4,482,758 in comparison with the prior year. Of this amount, $81,899,912 represents the County's investment in capital assets, net of accumulated depreciation and reduced for outstanding debt related to the purchase or construction of capital assets. $16,753,035 is restricted by constraints imposed externally from outside the County such as grant and debt covenants, laws and regulations, and other governments. The remaining balance of unrestricted net position is a deficit of $6,092,143.
- At June 30, 2018, the County's governmental funds reported combined ending fund balances of $22,865,162, a decrease of $2,315,662, or 9.20% in comparison with the prior year. Of this amount, $3,847,870 is available for spending at the government's discretion (unassigned fund balance).
- At June 30, 2018, the County's General Fund reported a total fund balance of $5,964,682, an increase of $515,752 over the prior year. The General Fund's unassigned fund balance was $3,978,741, an increase of $595,576, or 17.60% in comparison with the prior year.
- The County's 2008 SPLOST Capital Projects Fund closed fiscal year 2018 with a fund balance of $2,442,986. 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 and a new classroom facility at Southern Crescent Technical College.
- The County's 2016 SPLOST Capital Projects Fund generated a total of $4,189,352 in sales tax revenues and closed fiscal year 2018, with a fund balance of $6,233,526. 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.

The statement of net position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 County'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, judiciary, public safety, highways and streets, community services, culture and recreation, housing and development, 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 19 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 15 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 – 25. 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.

The basic proprietary fund financial statements are presented on pages 26 – 28 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of 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 necessary to acquire 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 – 74 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 75 – 77 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Along with the combining statements are budget to actual schedules for all governmental funds. Combining and individual fund statements and schedules can be found on pages 78 – 98 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 exceeded liabilities by $92,560,804 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (88.48%) 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 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**

| | **2018** | 2017 |
|---|---|---|
| Current and other assets | **$ 28,255,352** | $ 32,102,467 |
| Capital assets | **94,161,850** | 95,602,992 |
| Total assets | **122,417,202** | 127,705,459 |
| Deferred outflow of resources | **1,399,308** | 2,516,356 |
| Long-term liabilities outstanding | **24,563,405** | 27,684,788 |
| Other liabilities | **3,893,044** | 4,650,382 |
| Total liabilities | **28,456,449** | 32,335,170 |
| Deferred inflow of resources | **2,799,257** | 1,612,599 |
| Net position: | | |
| Net investment in capital assets | **81,899,912** | 84,145,000 |
| Restricted | **16,753,035** | 17,776,989 |
| Unrestricted | **(6,092,143)** | (5,647,943) |
| Total net position | **$ 92,560,804** | $ 96,274,046 |

An additional portion of Spalding County's net position (18.10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of $6,092,143 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 position increased $444,200 from the prior year.

**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased $3,713,242 over the prior fiscal year for an ending balance of $92,560,804. Key elements of the decrease in net position are as follows:

**Spalding County's Changes in Net Position**

| | 2018 | 2017 |
|---|---|---|
| **Revenues** | | |
| Program revenues: | | |
| Charges for services | **$ 11,612,242** | $ 10,154,042 |
| Operating grants and contributions | **1,693,743** | 1,755,962 |
| Capital grants and contributions | **543,005** | 61,735 |
| General revenues: | | |
| Property taxes | **25,483,255** | 25,102,166 |
| Other taxes | **16,721,150** | 15,798,301 |
| Investment income | **112,951** | 134,822 |
| Total revenues | **56,166,346** | 53,007,028 |
| **Expenses** | | |
| General government | **7,094,473** | 9,048,366 |
| Judicial | **4,749,565** | 4,454,124 |
| Public safety | **32,043,298** | 31,074,160 |
| Public works | **6,655,312** | 4,683,035 |
| Health and welfare | **994,880** | 559,589 |
| Culture and recreation | **3,192,941** | 2,302,041 |
| Housing and development | **4,590,713** | 3,518,215 |
| Interest on long-term debt | **558,406** | 432,502 |
| Total expenses | **59,879,588** | 56,072,032 |
| Change in net position | **(3,713,242)** | (3,065,004) |
| Net position, beginning of year, as restated | **96,274,046** | 99,339,050 |
| Net position, end of year | **$ 92,560,804** | $ 96,274,046 |

Governmental activities total revenues were $56,166,346 at June 30, 2018, an increase of $3,159,318, or 5.96% over the prior year. Charges for services increased $1,458,200 over the previous fiscal year primarily due to increased court fines and impact fees. Operating grants and contributions decreased $62,219 over the previous fiscal year. Capital grants and contributions increased $481,270 over the previous fiscal year due to federal and state reimbursements for Hurricane Irma storm damage and the receipt of an Assistance to Firefighter's grant for breathing apparatus.

Spalding County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections provided 45.37% of total revenues during 2018 as compared to 47.36% in 2017. The tax digest increased 1.84% over the previous year and the County was able to make a slight reduction in the millage rate for the second year in a row. Sales tax collections increased $530,294 over the prior year and provided 18.22% of total revenues during fiscal year 2018 as compared to 18.31% in fiscal year 2017.

Spalding County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections provided 47.36% of total revenues during 2017 as compared to 50.76% in 2016. The tax digest increased 2.93% over the previous year and outstanding general fund debt was retired with the 2016 SPLOST, therefore, the County was able to reduce the millage rate. Sales tax collections increased $2,955,627 over the prior year and provided 18.31% of total revenues during fiscal year 2017 as compared to 13.58% in fiscal year 2016.

Governmental activities total expenses were $55,302,516 at the end of fiscal 2017, an increase of $1,202,536, or 2.22% over the prior year. The largest changes from the prior year were in the following functional areas:

- General government expenses increased $2,734,639 from the previous year primarily due to the debt service and purchase of right of way for the new airport.
- Public safety expenses increased $1,875,787 primarily due to the completion of the 800 MHz radio system.
- Culture and recreation decreased $769,053 over the previous fiscal year due to a large worker's compensation claim settlement and the completion of projects constructed with 2008 SPLOST funds.
- Housing and development expenses decreased $2,118,222 due to the completion of The Lakes at Green Valley Industrial Park constructed with 2008 SPLOST funds.
- Interest on long-term debt decreased $326,711 due to the retirement of the County's outstanding capital leases and certificates of participation with 2016 SPLOST funds.

**Financial Analysis of the Government's Funds**

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $22,865,162, a decrease of $2,315,662 in comparison with the prior year. Approximately 16.83% of this total amount ($3,847,870) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of fund balance, $16,900,008 is restricted for public safety, capital projects, and debt service and $2,117,284 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 $3,978,741, while total fund balance reached $5,964,682. 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 9.37% of total general fund expenditures, while total fund balance represents 14.05% of that same amount. The fund balance of Spalding County's General Fund increased by $515,752 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 ended the current fiscal year with a total fund balance of $2,565,931, which is an increase of $238,243 over the previous year. The primary reason for the increase in fund balance is a substantial increase in the fiscal 2018 insurance premium tax proceeds.

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 has funded a new industrial park and various infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. The final project funded by this SPLOST is a continuing education building on the local Southern Crescent Technical College campus which began construction during 2018. At the end of fiscal year 2018 the 2008 SPLOST Capital Projects fund had a restricted fund balance of $2,442,986, which is a decrease of $4,044,542 from the previous year. The primary reason 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.

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. The 2016 SPLOST has funded the acquisition and installation of a Computer Aided Dispatch and phone system for E-911, a judicial computer system, and acquisition of fire apparatus and equipment. The 2016 SPLOST also funded the retirement of outstanding indebtedness for Spalding County and the City of Griffin and a recently completed, world-class Pickleball complex. Future projects to be funded with this SPLOST are an Aquatics Center, the renovation of the Spalding County Animal Control Facility and various parks, infrastructure and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. At the end of fiscal year 2018 this fund had a restricted fund balance of $6,233,526.

**Proprietary Funds.** Spalding County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The Workers' Compensation Trust Fund is the only proprietary fund of the County. It is an internal service fund where assets are set aside for claim settlements.

**General Fund Budgetary Highlights**

The net differences between the General Fund expenditures original budget and the final amended budget were $1,813,819, and can be summarized as follows:

- Increase in general government activities - $958,296, due primarily to capital asset purchases;
- Increase in judicial functions - $103,752, due to an increase in various courts caseloads;
- Increase in public safety functions - $536,464, due to capital asset purchases;
- Increase in public works functions - $63,458, due to capital asset purchases;
- Increase in health and welfare functions - $17,500, due primarily to medical supplies; and
- Increase in culture and recreation functions - $134,349, due primarily to small equipment and capital asset purchases.

All of these increases were funded by capital leases and grants.

Actual General Fund revenues of $42,308,066 were less than final budgeted revenues of $42,376,931 by $68,845. Actual General Fund expenditures of $42,467,591 were less than final budgeted expenditures of $44,448,705 by $1,981,114. The deficiency of revenues under expenditures in the amount of $159,505 plus $675,257 in net other financing sources resulted in an increase of $515,752 in fund balance. A united effort by Spalding County elected officials, department heads and employees to reduce operating expenditures contributed to this large variance in expenditures. Also, at the end of fiscal year 2018, as in 2017, there was over $1 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 conducted a pay and classification study on all job classifications during 2018 resulting in a new County pay plan. The County will implement the new pay and classification plan July 1, 2018.

**Capital Asset and Debt Administration**

**Capital Assets.** Spalding County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to $94,161,850 (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 2018** | Governmental Activities 2017 |
|---|---|---|
| Land | **$ 3,132,527** | $ 3,132,527 |
| Construction in progress | **1,050,329** | 4,629,092 |
| Land improvements | **4,448,723** | 4,592,258 |
| Buildings and improvements | **25,937,740** | 25,203,640 |
| Machinery and equipment | **16,832,914** | 16,861,932 |
| Furniture and fixtures | **42,780** | 35,967 |
| Intangibles | **198,896** | 246,953 |
| Infrastructure (roads) | **42,517,941** | 40,900,623 |
| Total | **$ 94,161,850** | $ 95,602,992 |

Overall, governmental capital assets decreased by a net amount of $1,441,142, or 1.51% during 2018. The decrease in investment in capital assets is primarily due to a decrease in construction in progress and an increase in depreciation from the prior year. A total of $5,606,125 was transferred from construction in progress to depreciable capital assets and depreciation expense of capital assets amounted to $5,402,603.

Total depreciable governmental capital assets added during 2018 amounted to $1,934,099. Capital asset additions consisted of the following:

- $140,012 in computer system upgrades;
- $24,725 in vehicles for the Tax Assessor;
- $13,596 in office machinery and equipment for the Clerk of Court;
- $566,165 in vehicles and equipment for the Sheriff;
- $27,524 in vehicles for the Correctional Institution;
- $94,326 in vehicles and equipment for the Fire Department;
- $391,880 in breathing apparatus for the Fire Department;
- $249,943 in vehicles and equipment for Public Works;
- $19,646 in vehicles for Recreation;
- $72,241 in vehicles and equipment for Parks;
- $24,748 in vehicles and equipment for Code Enforcement; and
- $309,293 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 and 50 of this report.

**Long-term Debt.** At the end of the current fiscal year, Spalding County had $9,471,847 in total bonded debt outstanding, including premiums. The issuance is in the form of general obligation bonds related to the 2016 Special Purpose Local Option Sales Tax and is backed by the full faith and credit of the government.

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 $137,461,872, which is significantly in excess of Spalding County's outstanding general obligation debt.

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 51 – 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 2019 budget:

- The unemployment rate for Spalding County is currently 4.8%, which is a decrease from a rate of 6.0% one year ago. The unemployment rate for the State of Georgia at June 30, 2018, is 4.10%.
- Both the national and local economies continue to show signs of recovery from the recent economic downturn. Spalding County's sales tax revenues have increased each of the last two prior fiscal years and during fiscal year 2018 building permit and impact fee revenues increased significantly over the prior year. The County is hopeful this positive revenue trend will continue.
- The 2017 tax digest increased $40,836,777, or 2.93% from January 1, 2016 to January 1, 2017. The increase from January 1, 2017 to January 1, 2018 was $26,491,506, or 1.84%. We anticipate that Spalding County's tax digest will continue to grow at a steady rate as the economy begins to grow again.
- Spalding County will implement a new pay and classification plan July 1, 2018, and a new defined benefit pension plan with a 2% multiplier January 1, 2019.

All of these factors were taken into consideration when preparing the 2019 budget. During the current fiscal year, unassigned fund balance in the general fund increased 17.60% to $3,978,741. Spalding County has assigned $1,770,000 of fund balance for spending in the fiscal 2019 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, 2018

| | Primary Government | Component Units | | |
|---|---|---|---|---|
| | Governmental Activities | Health Department | Development Authority | Water Authority |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 22,808,963 | $ 1,493,489 | $ 868,137 | $ 12,508,174 |
| Investments | 1,975,172 | - | 1,750,000 | - |
| Property taxes receivable | 1,155,539 | - | - | - |
| Accounts receivable | 500,935 | - | 28,197 | 1,013,547 |
| Due from other governments | 1,327,425 | - | 11,381 | - |
| Due from primary government | - | - | - | 2,040 |
| Restricted assets: | | | | |
| Bond sinking fund | - | - | - | 794,922 |
| Fair value of interest rate swap | 487,318 | - | - | - |
| Capital assets, non-depreciable | 4,182,856 | - | 16,959,627 | 13,500 |
| Capital assets, depreciable (net of accumulated depreciation) | 89,978,994 | 10,840 | 335,176 | 22,842,761 |
| Total assets | 122,417,202 | 1,504,329 | 19,952,518 | 37,174,944 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension | 1,196,350 | 180,488 | - | - |
| Other post-employment benefit | 202,958 | 112,403 | - | - |
| Deferred charges on refunding | - | - | - | 348,761 |
| Total deferred outflows of resources | 1,399,308 | 292,891 | - | 348,761 |
| **LIABILITIES** | | | | |
| Accounts payable | 1,241,013 | - | 19,447 | 58,996 |
| Accrued liabilities | 757,817 | - | - | 7,941 |
| Accrued interest payable | 213,839 | - | - | 128,321 |
| Due to other governments | 348,059 | - | - | - |
| Due to component unit | 2,040 | - | - | - |
| Claims payable due within one year | 203,623 | - | - | - |
| Claims payable due in more than one year | 407,971 | - | - | - |
| Capital leases due within one year | 58,817 | - | - | - |
| Capital leases due in more than one year | 340,708 | - | - | - |
| Bonds payable due within one year | - | - | - | 710,000 |
| Bonds payable due in more than one year | 9,471,847 | - | - | 10,540,276 |
| Compensated absences due within one year | 698,276 | 39,612 | 10,595 | 9,017 |
| Compensated absences due in more than one year | 465,518 | 73,920 | - | 6,011 |
| Certificates of participation due in more than one year | 2,500,000 | - | - | - |
| Due to Griffin-Spalding County Airport Authority, due within one year | 232,500 | - | - | - |
| Due to Griffin-Spalding County Airport Authority, due in more than one year | 3,052,500 | - | - | - |
| Landfill due within one year | 137,060 | - | - | - |
| Landfill due in more than one year | 523,126 | - | - | - |
| Total other post-employment benefit liability | 1,790,062 | 740,718 | - | - |
| Net pension liability | 6,011,673 | 945,032 | - | - |
| Total liabilities | 28,456,449 | 1,799,282 | 30,042 | 11,460,562 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension | 2,311,939 | 13,645 | - | - |
| Other post-employment benefit | - | 95,646 | - | - |
| Accumulated increase in fair value of hedging activities | 487,318 | - | - | - |
| Total deferred inflows of resources | 2,799,257 | 109,291 | - | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 81,899,912 | 10,840 | 17,294,803 | 11,954,748 |
| Restricted for: | | | | |
| Grant purposes | 15,067 | - | - | - |
| Judicial | 456,781 | - | - | - |
| Public safety | 3,552,988 | - | - | - |
| Capital projects | 10,975,443 | - | - | - |
| Debt service | 1,519,126 | - | - | - |
| Housing and development | 233,630 | - | - | - |
| Other purposes | - | 866,040 | - | - |
| Unrestricted | (6,092,143) | (988,233) | 2,627,673 | 14,108,395 |
| Total net position | $ 92,560,804 | $ (111,353) | $ 19,922,476 | $ 26,063,143 |

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

# SPALDING COUNTY, GEORGIA

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

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| General government | $ 7,094,473 | $ 1,783,252 | $ 30,873 | $ 4,345 |
| Judicial | 4,749,565 | 2,403,684 | 248,626 | 25,125 |
| Public safety | 32,043,298 | 6,354,027 | 118,229 | 429,545 |
| Public works | 6,655,312 | 277,529 | 781,622 | 83,990 |
| Health and welfare | 994,880 | - | 472,121 | - |
| Culture and recreation | 3,192,941 | 314,017 | 42,272 | - |
| Housing and development | 4,590,713 | 479,733 | - | - |
| Interest on long-term debt | 558,406 | - | - | - |
| Total primary government | $ 59,879,588 | $ 11,612,242 | $ 1,693,743 | $ 543,005 |
| **Component units:** | | | | |
| Health Department | $ 1,330,244 | $ 877,303 | $ 812,535 | $ - |
| Development Authority | 1,575,678 | - | 259,500 | 278,645 |
| Water Authority | 7,405,119 | 8,399,530 | - | - |
| Total component units | $ 10,311,041 | $ 9,276,833 | $ 1,072,035 | $ 278,645 |
| General revenues: | | | | |
| Property taxes | | | | |
| Alcoholic beverage taxes | | | | |
| Vehicle taxes | | | | |
| Sales taxes | | | | |
| Intangible taxes | | | | |
| Insurance premium taxes | | | | |
| Hotel/motel taxes | | | | |
| Other taxes | | | | |
| Unrestricted investment earnings | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position, beginning of year, as restated | | | | |
| Net position, end of year | | | | |

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

| Net (Expenses) Revenues and Changes in Net Position | | | | |
|---|---|---|---|---|
| Primary Government | Component Units | | | |
| Governmental Activities | Health Department | Development Authority | Water Authority | |
| $ (5,276,003) | $ - | $ - | $ - | |
| (2,072,130) | - | - | - | |
| (25,141,497) | - | - | - | |
| (5,512,171) | - | - | - | |
| (522,759) | - | - | - | |
| (2,836,652) | - | - | - | |
| (4,110,980) | - | - | - | |
| (558,406) | - | - | - | |
| (46,030,598) | - | - | - | |
| | | | | |
| - | 359,594 | - | - | |
| - | - | (1,037,533) | - | |
| - | - | - | 994,411 | |
| - | 359,594 | (1,037,533) | 994,411 | |
| | | | | |
| 25,483,255 | - | - | - | |
| 320,121 | - | - | - | |
| 2,438,219 | - | - | - | |
| 10,235,164 | - | - | - | |
| 354,537 | - | - | - | |
| 2,420,573 | - | - | - | |
| 184,931 | - | - | - | |
| 767,605 | - | - | - | |
| 112,951 | 1,196 | 24,672 | 3,051 | |
| 42,317,356 | 1,196 | 24,672 | 3,051 | |
| (3,713,242) | 360,790 | (1,012,861) | 997,462 | |
| 96,274,046 | (472,143) | 20,935,337 | 25,065,681 | |
| $ 92,560,804 | $ (111,353) | $ 19,922,476 | $ 26,063,143 | |

# SPALDING COUNTY, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2018

| | General | Fire District | Capital Projects 2008 SPLOST | Capital Projects 2016 SPLOST |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 5,931,908 | $ 2,640,482 | $ 2,522,755 | $ 6,020,481 |
| Investments | - | - | - | - |
| Property taxes receivable | 907,039 | 248,500 | - | - |
| Accounts receivable | 304,088 | 3,013 | 2,957 | 6,059 |
| Due from other governments | 820,209 | - | - | 426,291 |
| Due from other funds | 231,992 | 44,217 | - | - |
| Total assets | $ 8,195,236 | $ 2,936,212 | $ 2,525,712 | $ 6,452,831 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 837,559 | $ 29,008 | $ - | $ 105,000 |
| Accrued liabilities | 600,055 | 123,743 | - | - |
| Due to other funds | 66,073 | - | 82,726 | 114,305 |
| Due to other governments | - | - | - | - |
| Due to component unit | 2,040 | - | - | - |
| Total liabilities | 1,505,727 | 152,751 | 82,726 | 219,305 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable revenue - taxes | 724,827 | 217,530 | - | - |
| Total deferred inflows of resources | 724,827 | 217,530 | - | - |
| **FUND BALANCES** | | | | |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Grant purposes | - | - | - | - |
| Judicial | - | - | - | - |
| Public safety | - | 2,558,787 | - | - |
| Capital projects | - | - | 2,442,986 | 6,233,526 |
| Debt service | - | - | - | - |
| Housing and development | - | - | - | - |
| Assigned for: | | | | |
| General government | 40,233 | - | - | - |
| Public safety | 396 | 7,144 | - | - |
| Public works | 13,037 | - | - | - |
| Culture and recreation | 23,279 | - | - | - |
| Housing and development | - | - | - | - |
| Capital projects | - | - | - | - |
| Sales taxes | 125,653 | - | - | - |
| Tricentennial Celebration | 1,986 | - | - | - |
| Memorial Gifts | 11,357 | - | - | - |
| Subsequent year's budget | 1,770,000 | - | - | - |
| Unassigned | 3,978,741 | - | - | - |
| Total fund balances | 5,964,682 | 2,565,931 | 2,442,986 | 6,233,526 |
| Total liabilities, deferred inflows of resources and fund balances | $ 8,195,236 | $ 2,936,212 | $ 2,525,712 | $ 6,452,831 |

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.
Deferred outflows of resources related to other post-employment benefits 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 |
|---|---|
| $ 5,693,337 | $ 22,808,963 |
| 342,811 | 342,811 |
| - | 1,155,539 |
| 174,676 | 490,793 |
| 80,925 | 1,327,425 |
| 27,764 | 303,973 |
| $ 6,319,513 | $ 26,429,504 |
| | |
| $ 238,529 | $ 1,210,096 |
| 34,019 | 757,817 |
| 40,869 | 303,973 |
| 348,059 | 348,059 |
| - | 2,040 |
| 661,476 | 2,621,985 |
| | |
| - | 942,357 |
| | |
| - | 942,357 |
| | |
| 15,067 | 15,067 |
| 456,781 | 456,781 |
| 1,031,740 | 3,590,527 |
| 2,408,365 | 11,084,877 |
| 1,519,126 | 1,519,126 |
| 233,630 | 233,630 |
| | |
| - | 40,233 |
| - | 7,540 |
| - | 13,037 |
| - | 23,279 |
| 26,691 | 26,691 |
| 97,508 | 97,508 |
| - | 125,653 |
| - | 1,986 |
| - | 11,357 |
| - | 1,770,000 |
| (130,871) | 3,847,870 |
| 5,658,037 | 22,865,162 |
| | |
| $ 6,319,513 | |
| | |
| | 94,161,850 |
| | 455,039 |
| | (25,008,608) |
| | |
| | 1,196,350 |
| | (2,311,939) |
| | |
| | 202,958 |
| | |
| | 999,992 |
| | $ 92,560,804 |

# SPALDING COUNTY, GEORGIA

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

| | General | Fire District | Capital Projects 2008 SPLOST | Capital Projects 2016 SPLOST |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Property taxes | $ 22,284,148 | $ 3,527,663 | $ - | $ - |
| Alcoholic beverage taxes | 320,121 | - | - | - |
| Vehicle taxes | 2,438,219 | - | - | - |
| Sales taxes | 5,322,643 | - | - | 4,189,352 |
| Other taxes | 1,070,016 | 2,472,699 | - | - |
| Licenses and permits | 444,861 | - | - | - |
| Intergovernmental | 1,193,166 | 398,955 | - | - |
| Charges for services | 5,097,316 | - | - | - |
| Court fees, fines, and forfeitures | 1,866,390 | - | - | - |
| Interest | 25,125 | - | 38,561 | 44,928 |
| Contributions and donations | 13,465 | - | - | - |
| Rentals | 194,408 | - | - | - |
| Other | 2,038,208 | 6 | - | - |
| Total revenues | 42,308,086 | 6,399,323 | 38,561 | 4,234,280 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 6,987,413 | - | - | - |
| Judicial | 4,626,010 | - | - | - |
| Public safety | 22,298,086 | 5,651,590 | - | - |
| Public works | 4,279,733 | - | - | - |
| Health and welfare | 464,365 | - | - | - |
| Culture and recreation | 2,822,324 | - | - | - |
| Housing and development | 911,716 | - | - | - |
| Capital outlay | - | 496,390 | 4,083,103 | 3,123,414 |
| Debt service: | | | | |
| Principal | 58,817 | - | - | - |
| Interest | 19,127 | - | - | - |
| Total expenditures | 42,467,591 | 6,147,980 | 4,083,103 | 3,123,414 |
| Excess (deficiency) of revenues over (under) expenditures | (159,505) | 251,343 | (4,044,542) | 1,110,866 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 1,662,222 | - | - | - |
| Transfers out | (986,965) | (13,100) | - | - |
| Total other financing sources (uses) | 675,257 | (13,100) | - | - |
| Net change in fund balances | 515,752 | 238,243 | (4,044,542) | 1,110,866 |
| **FUND BALANCES, beginning of year** | 5,448,930 | 2,327,688 | 6,487,528 | 5,122,660 |
| **FUND BALANCES, end of year** | $ 5,964,682 | $ 2,565,931 | $ 2,442,986 | $ 6,233,526 |

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

| Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|
| $ - | $ 25,811,811 |
| - | 320,121 |
| - | 2,438,219 |
| - | 9,511,995 |
| 184,931 | 3,727,646 |
| - | 444,861 |
| 1,128,698 | 2,720,819 |
| 1,490,728 | 6,588,044 |
| 479,768 | 2,346,158 |
| 114,174 | 222,788 |
| - | 13,465 |
| - | 194,408 |
| 112,010 | 2,150,224 |
| 3,510,309 | 56,490,559 |
| | |
| 96,432 | 7,083,845 |
| 96,287 | 4,722,297 |
| 1,558,984 | 29,508,660 |
| - | 4,279,733 |
| 511,899 | 976,264 |
| - | 2,822,324 |
| 199,370 | 1,111,086 |
| 35,836 | 7,738,743 |
| | |
| - | 58,817 |
| 485,325 | 504,452 |
| 2,984,133 | 58,806,221 |
| | |
| 526,176 | (2,315,662.00) |
| | |
| 1,000,065 | 2,662,287 |
| (1,662,222) | (2,662,287) |
| (662,157) | - |
| | |
| (135,981) | (2,315,662) |
| | |
| 5,794,018 | 25,180,824 |
| | |
| $ 5,658,037 | $ 22,865,162 |

# 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, 2018

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | (2,315,662) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. | | (1,438,256) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. | | (2,886) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | (328,556) |
| 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. | | 352,464 |
| 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. | | 251,883 |
| 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. | | (232,229) |
| | $ | (3,713,242) |

**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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 24,556,547 | $ 24,082,824 | $ 22,284,148 | $ (1,798,676) |
| Alcoholic beverage taxes | 350,000 | 350,000 | 320,121 | (29,879) |
| Vehicle taxes | 1,634,300 | 1,634,300 | 2,438,219 | 803,919 |
| Sales taxes | 5,300,000 | 5,300,000 | 5,322,643 | 22,643 |
| Other taxes | 1,091,500 | 1,091,500 | 1,070,016 | (21,484) |
| Licenses and permits | 451,000 | 451,000 | 444,861 | (6,139) |
| Intergovernmental | 918,500 | 990,721 | 1,193,166 | 202,445 |
| Charges for services | 5,121,396 | 5,121,396 | 5,097,316 | (24,080) |
| Court fees, fines, and forfeitures | 1,252,500 | 1,252,500 | 1,866,390 | 613,890 |
| Interest | - | - | 25,125 | 25,125 |
| Contributions and donations | - | 4,550 | 13,465 | 8,915 |
| Rentals | 193,080 | 193,080 | 194,408 | 1,328 |
| Other | 1,754,518 | 1,905,060 | 2,038,208 | 133,148 |
| Total revenues | 42,623,341 | 42,376,931 | 42,308,086 | (68,845) |
| **EXPENDITURES** | | | | |
| **Current:** | | | | |
| **General government:** | | | | |
| Board of commissioners | 404,993 | 404,993 | 382,405 | 22,588 |
| Board of elections | 240,565 | 240,565 | 215,878 | 24,687 |
| Administration | 331,628 | 331,628 | 274,437 | 57,191 |
| Finance | 157,359 | 157,359 | 145,937 | 11,422 |
| Information systems | 169,216 | 314,228 | 314,204 | 24 |
| Human resources | 209,887 | 209,887 | 178,861 | 31,026 |
| Tax commissioner | 946,860 | 946,860 | 867,758 | 79,102 |
| Tax assessors | 604,896 | 629,621 | 574,649 | 54,972 |
| Construction and maintenance | 418,411 | 418,411 | 401,869 | 16,542 |
| Janitorial services | 114,262 | 114,262 | 109,622 | 4,640 |
| General appropriations | 2,823,550 | 3,612,109 | 3,521,793 | 90,316 |
| Total general government | 6,421,627 | 7,379,923 | 6,987,413 | 392,510 |
| **Judicial:** | | | | |
| Superior court | 199,000 | 249,000 | 242,294 | 6,706 |
| Griffin judicial circuit | 414,160 | 414,160 | 377,398 | 36,762 |
| Clerk of court | 844,481 | 844,481 | 811,798 | 32,683 |
| District attorney | 493,875 | 493,875 | 491,920 | 1,955 |
| State court | 687,663 | 727,663 | 738,193 | (10,530) |
| Accountability court | 124,391 | 138,143 | 156,400 | (18,257) |
| Solicitor | 338,798 | 338,798 | 350,429 | (11,631) |
| Magistrate court | 800,780 | 800,780 | 764,579 | 36,201 |
| Probate court | 253,388 | 253,388 | 247,208 | 6,180 |
| Public defender | 64,323 | 64,323 | 41,186 | 23,137 |
| Public defender circuit | 404,605 | 404,605 | 404,605 | - |
| Total judicial | 4,625,464 | 4,729,216 | 4,626,010 | 103,206 |

**(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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **EXPENDITURES (CONTINUED)** | | | | |
| **Current (Continued):** | | | | |
| **Public safety:** | | | | |
| Sheriff | $ 826,897 | $ 860,327 | $ 755,292 | $ 105,035 |
| Victim services | 79,666 | 80,554 | 74,406 | 6,148 |
| Warrant division | 620,341 | 688,752 | 542,818 | 145,934 |
| Criminal investigation division | 1,261,811 | 1,296,442 | 1,369,387 | (72,945) |
| Uniform patrol division | 3,107,432 | 3,280,787 | 3,153,102 | 127,685 |
| Jail | 8,163,041 | 8,268,880 | 7,744,188 | 524,692 |
| Narcotics task force | 1,015,809 | 1,015,809 | 895,809 | 120,000 |
| Correctional institution | 6,554,314 | 6,656,075 | 6,327,796 | 328,279 |
| Juvenile probation | 590,410 | 590,410 | 590,063 | 347 |
| Coroner | 59,925 | 66,425 | 63,622 | 2,803 |
| 800 MHz communication | 417,410 | 417,410 | 415,623 | 1,787 |
| Animal control | 346,293 | 346,293 | 326,022 | 20,271 |
| Emergency management | 30,430 | 42,079 | 39,958 | 2,121 |
| Total public safety | 23,073,779 | 23,610,243 | 22,298,086 | 1,312,157 |
| **Public works:** | | | | |
| Public works | 2,848,934 | 2,890,250 | 3,084,312 | (194,062) |
| Solid waste collection | 828,889 | 829,031 | 858,319 | (29,288) |
| Garage | 315,826 | 337,826 | 337,102 | 724 |
| Total public works | 3,993,649 | 4,057,107 | 4,279,733 | (222,626) |
| **Health and welfare:** | | | | |
| Health | 432,739 | 447,739 | 434,360 | 13,379 |
| Welfare | 30,500 | 33,000 | 30,005 | 2,995 |
| Total health and welfare | 463,239 | 480,739 | 464,365 | 16,374 |
| **Culture and recreation:** | | | | |
| Recreation | 753,343 | 815,991 | 713,181 | 102,810 |
| Senior citizens' bus | 33,458 | 33,458 | 15,345 | 18,113 |
| Parks | 1,921,642 | 1,993,343 | 1,892,818 | 100,525 |
| Libraries | 200,980 | 200,980 | 200,980 | - |
| Total culture and recreation | 2,909,423 | 3,043,772 | 2,822,324 | 221,448 |
| **Housing and development:** | | | | |
| Cooperative extension service | 207,119 | 207,119 | 172,917 | 34,202 |
| Community development | 550,650 | 550,650 | 498,564 | 52,086 |
| Code enforcement | 135,578 | 135,578 | 140,235 | (4,657) |
| Development Authority | 100,000 | 100,000 | 100,000 | - |
| Total housing and development | 993,347 | 993,347 | 911,716 | 81,631 |

**(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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **EXPENDITURES (CONTINUED)** | | | | |
| **Current (Continued):** | | | | |
| **Debt service:** | | | | |
| Principal | $ 122,650 | $ 122,650 | $ 58,817 | $ 63,833 |
| Interest | 31,708 | 31,708 | 19,127 | 12,581 |
| Total debt service | 154,358 | 154,358 | 77,944 | 76,414 |
| Total expenditures | 42,634,886 | 44,448,705 | 42,467,591 | 1,981,114 |
| Excess (deficiency) of revenues over (under) expenditures | (11,545) | (2,071,774) | (159,505) | 1,912,269 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | 1,367,844 | 1,662,222 | 294,378 |
| Transfers out | (932,690) | (932,690) | (986,965) | (54,275) |
| Total other financing sources (uses) | (932,690) | 435,154 | 675,257 | 240,103 |
| Net change in fund balances | (944,235) | (1,636,620) | 515,752 | 2,152,372 |
| **FUND BALANCES, beginning of year** | 5,448,930 | 5,448,930 | 5,448,930 | - |
| **FUND BALANCES, end of year** | $ 4,504,695 | $ 3,812,310 | $ 5,964,682 | $ 2,152,372 |

**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, 2018

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 3,695,018 | $ 3,523,163 | $ 3,527,663 | $ 4,500 |
| Other taxes | 2,390,000 | 2,390,000 | 2,472,699 | 82,699 |
| Intergovernmental | 51,500 | 395,358 | 398,955 | 3,597 |
| Other | - | - | 6 | 6 |
| Total revenues | 6,136,518 | 6,308,521 | 6,399,323 | 90,802 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 6,191,346 | 6,191,346 | 5,651,590 | 539,756 |
| Capital outlay | 30,000 | 454,690 | 496,390 | (41,700) |
| Total expenditures | 6,221,346 | 6,646,036 | 6,147,980 | 498,056 |
| Excess (deficiency) of revenues over (under) expenditures | (84,828) | (337,515) | 251,343 | 588,858 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | 80,832 | - | (80,832) |
| Transfers out | (13,100) | (13,100) | (13,100) | - |
| Total other financing sources (uses) | (13,100) | 67,732 | (13,100) | (80,832) |
| Net change in fund balances | (97,928) | (269,783) | 238,243 | 508,026 |
| **FUND BALANCES, beginning of year** | 2,327,688 | 2,327,688 | 2,327,688 | - |
| **FUND BALANCES, end of year** | $ 2,229,760 | $ 2,057,905 | $ 2,565,931 | $ 508,026 |

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

# SPALDING COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## PROPRIETARY FUNDS
## JUNE 30, 2018

| | Governmental Activities - Internal Service Funds |
|---|---|
| | Workers' Compensation |
| **ASSETS** | |
| **CURRENT ASSETS** | |
| Investments | $ 1,632,361 |
| Accounts receivable | 10,142 |
| Total current assets | 1,642,503 |
| Total assets | 1,642,503 |
| **LIABILITIES** | |
| **CURRENT LIABILITIES** | |
| Accounts payable | 30,917 |
| Current portion of claims payable | 203,623 |
| Total current liabilities | 234,540 |
| **NONCURRENT LIABILITIES** | |
| Claims payable, net of current portion | 407,971 |
| Total noncurrent liabilities | 407,971 |
| Total liabilities | 642,511 |
| **NET POSITION** | |
| Unrestricted | 999,992 |
| Total net position | $ 999,992 |

**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, 2018

| | Governmental Activities - Internal Service Funds |
|---|---|
| | Workers' Compensation |
| **OPERATING REVENUES** | |
| Contributions | $ 851,281 |
| Total operating revenues | 851,281 |
| **OPERATING EXPENSES** | |
| Claims paid | 846,693 |
| Administration and other costs | 241,160 |
| Total operating expenses | 1,087,853 |
| Operating loss | (236,572) |
| **NON-OPERATING REVENUES** | |
| Interest income | 4,343 |
| Total non-operating revenues | 4,343 |
| Change in net position | (232,229) |
| **NET POSITION, beginning of year** | 1,232,221 |
| **NET POSITION, end of year** | $ 999,992 |

**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, 2018

| | Governmental Activities - Internal Service Funds |
|---|---|
| | Workers' Compensation |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Receipts from employees | $ 851,281 |
| Payments for insurance claims | (521,753) |
| Payments to suppliers for services provided | (241,160) |
| Net cash provided by operating activities | 88,368 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Purchases of investments | (92,711) |
| Interest received | 4,343 |
| Net cash used in investing activities | (88,368) |
| Net change in cash and cash equivalents | - |
| Cash and cash equivalents, beginning of year | - |
| Cash and cash equivalents, end of year | $ - |
| **Reconciliation of operating loss to net cash provided by operating activities:** | |
| Operating loss | $ (236,572) |
| Adjustments to reconcile net operating loss to net cash provided by operating activities: | |
| Increase in accounts receivable | (1,926) |
| Increase in claims payable | 326,866 |
| Net cash provided by operating activities | $ 88,368 |

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

# SPALDING COUNTY, GEORGIA

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

| | Agency Funds |
|---|---|
| **ASSETS** | |
| Cash | $ 1,574,586 |
| Taxes receivable | 2,264,657 |
| Accounts receivable | 24,224 |
| Total assets | $ 3,863,467 |
| **LIABILITIES** | |
| Due to others | $ 3,863,467 |

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

# NOTES TO FINANCIAL STATEMENTS

# BASIC FINANCIAL STATEMENTS

## GUIDE TO NOTES


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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 (GASB) 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 GASB 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".

### 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of 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 four items that qualify for reporting in this category. These items relate to the County's Retirement and Post-Employment Benefits Plans and are reported in the government-wide statement of net position. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. 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. Experience losses result from periodic studies by the County's actuary, which adjust the total OPEB liability for actual experience for certain trend information that was previously assumed. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the total OPEB liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Contributions made subsequent to the measurement date are deferred and recognized as OPEB expense in future years.

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 four 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. Another two items relate to the County's Retirement Plan and the recording of changes in its net pension liability. Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, 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 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.

- ***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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### K. Fund Equity (Continued)

***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 and OPEB

For purposes of measuring the net pension liability, total OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension expense and OPEB 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.

### N. Tax Abatement Agreements

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County’s tax revenues.

## 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 difference are as follows:

| | | |
|---|---|---|
| General obligation bonds payable | $ | (8,800,000) |
| Plus: Issuance premium (to be amortized against interest expense) | | (671,847) |
| Certificates of participation | | (2,500,000) |
| Less: Fair value of interest rate swap | | 487,318 |
| Capital leases | | (399,525) |
| Due to Griffin/Spalding County Airport Authority | | (3,285,000) |
| Landfill post-closure costs | | (660,186) |
| Net pension liability | | (6,011,673) |
| Total OPEB liability | | (1,790,062) |
| Compensated absences | | (1,163,794) |
| Accrued interest | | (213,839) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ | (25,008,608) |

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 difference are as follows:

| | | |
|---|---|---|
| Deferred property tax revenue | $ | 942,357 |
| Deferred fair value of interest rate swap | | (487,318) |
| Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ | 455,039 |

## 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 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 3,964,347 |
| Depreciation expense | | (5,402,603) |
| Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $ | (1,438,256) |

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 difference are as follows:

| | | |
|---|---|---|
| Intergovernmental payable reduction | $ | 15,000 |
| Premium on bond issuance | | 189,643 |
| Principal repayments: | | |
| Capital leases | | 58,817 |
| Landfill post-closure costs | | 89,004 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $ | 352,464 |

## 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 difference are as follows:

| | | |
|---|---|---|
| Compensated absences | $ | 1,655 |
| Accrued interest | | (53,954) |
| Net OPEB obligation | | 226,611 |
| Net pension liability | | 77,571 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities* | $ | 251,883 |

## 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, 2018, expenditures exceeded budget, as follows:

| Fund or Department | Excess |
|---|---|
| General Fund: | |
| State court | $ 10,530 |
| Accountability court | 18,257 |
| Solicitor | 11,631 |
| Criminal investigation division | 72,945 |
| Public works | 194,062 |
| Solid waste collection | 29,288 |
| Code enforcement | 4,657 |
| Fire District | |
| Capital outlay | 41,700 |
| Community Services Block Grant | |
| General government | 3,992 |
| Judicial | 9,805 |

## NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

### B. Excess of Expenditures Over Appropriations (Continued)

The overexpenditures in the General Fund were funded by underexpenditures in other departments. The overexpenditures in the Community Services Block Grant Fund and Fire District were funded by additional revenues.

### C. Deficit Fund Balance

The Senior Nutrition Fund had deficit fund balance at June 30, 2018, of $130,871. The fund deficit will be reduced through intergovernmental revenues.

## NOTE 4. DEPOSITS AND INVESTMENTS

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

| | | |
|---|---|---|
| **Balances per statement of net position:** | | |
| Cash and cash equivalents - Primary Government | $ | 22,808,963 |
| Cash and cash equivalents - Health Department | | 1,493,489 |
| Cash and cash equivalents - Development Authority | | 868,137 |
| Cash and cash equivalents - Water Authority | | 12,508,174 |
| Investments - Primary Government | | 1,975,172 |
| Investments - Development Authority | | 1,750,000 |
| Restricted assets: | | |
| Water Authority - Bond sinking fund | | 794,922 |
| **Balances per statement of net position:** | | |
| Cash - Agency funds | | 1,574,586 |
| | $ | 43,773,443 |
| **Balances by type:** | | |
| Cash deposited with financial institutions | $ | 26,522,924 |
| Money market | | 15,275,347 |
| Mutual bond funds | | 1,632,361 |
| Guaranteed investment contract | | 342,811 |
| | $ | 43,773,443 |

## 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, 2018, the County had the following investments:

| Investment | Maturities | Fair Value |
|---|---|---|
| Money market | N/A | $ 15,275,347 |
| Mutual bond fund | N/A | 1,632,361 |
| Guaranteed investment contract | June 1, 2028 | 342,811 |
| | | $ 17,250,519 |

**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, 2018:

| Investment | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| Mutual bond fund | $ 1,632,361 | $ - | $ - | $ 1,632,361 |
| Total investments measured at fair value | $ 1,632,361 | $ - | $ - | $ 1,632,361 |
| Investments not subject to level disclosure: | | | | |
| Money market | | | | 15,275,347 |
| Guaranteed investment contract | | | | 342,811 |
| Total investments | | | | $ 17,250,519 |

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, 2018, 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 (O.C.G.A.) 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 government 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, 2018, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

| | General | Fire District | Capital Projects 2016 SPLOST | Capital Projects 2016 SPLOST |
|---|---|---|---|---|
| Receivables: | | | | |
| Taxes | $ 1,613,921 | $ 248,500 | $ - | $ - |
| Accounts | 304,088 | 3,013 | 6,059 | 2,957 |
| Intergovernmental | 820,209 | - | 426,291 | - |
| Gross receivables | 2,738,218 | 251,513 | 432,350 | 2,957 |
| Less: allowance for uncollectibles | 706,882 | - | - | - |
| Net total receivables | $ 2,031,336 | $ 251,513 | $ 432,350 | $ 2,957 |

| | Nonmajor Governmental | Total Governmental | Internal Service Fund |
|---|---|---|---|
| Receivables: | | | |
| Taxes | $ - | $ 1,862,421 | $ - |
| Accounts | 174,676 | 490,793 | 10,142 |
| Intergovernmental | 80,925 | 1,327,425 | - |
| Gross receivables | 255,601 | 3,680,639 | 10,142 |
| Less: allowance for uncollectibles | - | 706,882 | - |
| Net total receivables | $ 255,601 | $ 2,973,757 | $ 10,142 |

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, 2017, upon which the fiscal 2018 levy was based, was the gross digest amount of $1,605,028,191 (40% of the estimated market value of $4,012,570,477).

The tax billing cycle for fiscal year 2018 is as follows:

| | |
|---|---|
| Levy date | August 22, 2017 |
| Tax bills mailed | September 18, 2017 |
| Payment due date | November 15, 2017 |
| Delinquency date | December 16, 2017 |
| Lien date | April 1, 2018 |

The distribution of the County's levy (tax rate per $1,000 assessed value) as of June 30, 2018, is as follows:

| | |
|---|---|
| General government | 15.360 mills |
| Fire district | 3.610 mills |
| School system | 18.204 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 | 4,629,092 | 2,030,248 | (2,886) | (5,606,125) | 1,050,329 |
| Total | 7,761,619 | 2,030,248 | (2,886) | (5,606,125) | 4,182,856 |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 6,908,617 | - | - | - | 6,908,617 |
| Building improvements | 45,380,979 | - | - | 1,608,673 | 46,989,652 |
| Machinery and equipment | 34,427,801 | 1,611,210 | (1,368,751) | 1,234,790 | 35,905,050 |
| Furniture and fixtures | 91,730 | 13,596 | - | - | 105,326 |
| Intangibles | 621,715 | - | - | - | 621,715 |
| Infrastructure | 87,195,882 | 309,293 | - | 2,762,662 | 90,267,837 |
| Total | 174,626,724 | 1,934,099 | (1,368,751) | 5,606,125 | 180,798,197 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | (2,316,359) | (143,535) | - | - | (2,459,894) |
| Building improvements | (20,177,339) | (874,573) | - | - | (21,051,912) |
| Machinery and equipment | (17,565,869) | (2,875,018) | 1,368,751 | - | (19,072,136) |
| Furniture and fixtures | (55,763) | (6,783) | - | - | (62,546) |
| Intangibles | (374,762) | (48,057) | - | - | (422,819) |
| Infrastructure | (46,295,259) | (1,454,637) | - | - | (47,749,896) |
| Total | (86,785,351) | (5,402,603) | 1,368,751 | - | (90,819,203) |
| Total capital assets, being depreciated, net | 87,841,373 | (3,468,504) | - | 5,606,125 | 89,978,994 |
| Governmental activities capital assets, net | $ 95,602,992 | $ (1,438,256) | $ (2,886) | $ - | $ 94,161,850 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 403,546 |
| Judicial | 46,510 |
| Public safety | 2,944,179 |
| Public works | 1,574,077 |
| Culture and recreation | 393,886 |
| Housing and development | 22,187 |
| Health and welfare | 18,218 |
| Total depreciation expense - governmental activities | $ 5,402,603 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

### B. Discretely Presented Component Unit – Water Authority

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | | |
| Land | $ 13,500 | $ - | $ - | $ - | $ 13,500 |
| Total | 13,500 | - | - | - | 13,500 |
| Capital assets, being depreciated: | | | | | |
| Water delivery system | 32,914,472 | 70,228 | - | - | 32,984,700 |
| Sewer system | 2,065,296 | - | - | - | 2,065,296 |
| Buildings | 48,751 | - | - | - | 48,751 |
| Machinery and equipment | 848,019 | 74,096 | - | - | 922,115 |
| Intangibles | 145,279 | - | - | - | 145,279 |
| Total | 36,021,817 | 144,324 | - | - | 36,166,141 |
| Less accumulated depreciation for: | | | | | |
| Water delivery system | (11,483,079) | (665,751) | - | - | (12,148,830) |
| Sewer system | (256,713) | (41,306) | - | - | (298,019) |
| Buildings | (41,724) | (198) | - | - | (41,922) |
| Machinery and equipment | (793,562) | (16,104) | - | - | (809,666) |
| Intangibles | (22,037) | (2,906) | - | - | (24,943) |
| Total | (12,597,115) | (726,265) | - | - | (13,323,380) |
| Total capital assets, being depreciated, net | 23,424,702 | (581,941) | - | - | 22,842,761 |
| Total capital assets, net | $ 23,438,202 | $ (581,941) | $ - | $ - | $ 22,856,261 |

## 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, 2018:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Bonds payable | $ 8,800,000 | $ - | $ - | $ 8,800,000 | $ - |
| Bond premium | 861,490 | - | (189,643) | 671,847 | - |
| Net bonds payable | 9,661,490 | - | (189,643) | 9,471,847 | - |
| Certificates of participation | 2,500,000 | - | - | 2,500,000 | - |
| Intergovernmental payable | 3,300,000 | - | (15,000) | 3,285,000 | 232,500 |
| Capital leases | 458,342 | - | (58,817) | 399,525 | 58,817 |
| Claims payable | 303,372 | 846,693 | (538,471) | 611,594 | 203,623 |
| Compensated absences | 1,165,449 | 879,397 | (881,052) | 1,163,794 | 698,276 |
| Landfill post-closure costs | 749,190 | - | (89,004) | 660,186 | 137,060 |
| Net pension liability | 8,710,569 | 3,076,750 | (5,775,646) | 6,011,673 | - |
| Total OPEB liability | 1,044,199 | 948,615 | (202,752) | 1,790,062 | - |
| Governmental activities long-term liabilities | $ 27,892,611 | $ 5,751,455 | $ (7,750,385) | $ 25,893,681 | $ 1,330,276 |

For governmental activities, compensated absences, landfill post-closure costs, net pension liability and net OPEB obligation are generally liquidated by the General Fund.

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

The cost of assets under capital leases as of June 30, 2018:

| | Governmental Activities |
|---|---|
| Equipment | $ 458,342 |
| Less accumulated depreciation | (68,563) |
| Carrying value | $ 389,779 |

Current year depreciation expense of assets under capital lease totaled $45,834.

## NOTE 7. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

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

| Fiscal year ending June 30, | |
|---|---|
| 2019 | $ 76,944 |
| 2020 | 76,944 |
| 2021 | 76,944 |
| 2022 | 214,914 |
| Total minimum lease payments | 445,746 |
| Less amount representing interest | 46,221 |
| Present value of future minimum lease payments | $ 399,525 |

**General 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, 2018, the unamortized premium was $671,847.

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

| Fiscal year ending June 30, | Principal | Interest |
|---|---|---|
| 2019 | $ - | $ 302,300 |
| 2020 | - | 302,300 |
| 2021 | 2,870,000 | 259,200 |
| 2022 | 2,930,000 | 157,600 |
| 2023 | 3,000,000 | 49,500 |
| Total | $ 8,800,000 | $ 1,070,900 |

## NOTE 7. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Certificates of Participation.** 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 semi-annual (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 semi-annual 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 5.00% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

## NOTE 7. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Certificates of Participation (Continued).** In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength with the counterparty being rated Aa3 by Moody's. At June 30, 2018, the floating rate being paid by the County is 1.81% and the market value of this agreement is $487,318, a decrease of $152,564 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, 2018, 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 | $ 356,250 |

**Landfill Post-closure 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, 2018, the County has a remaining 6.8 years of monitoring. Engineering studies estimate post-closure costs of approximately $660,186 over the 6.8 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, 2018. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

## NOTE 7. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Intergovernmental payable – Airport Authority Revenue Bonds.** Spalding County entered into an intergovernmental agreement with The Griffin-Spalding County Airport Authority and City of Griffin regarding the issuance of The Griffin-Spalding County Airport Authority Revenue Bonds, Series 2015, on March 10, 2015. The Series 2015 bonds were issued by The Griffin-Spalding County Airport Authority to: a) provide funds to finance in part the acquisition of land and other real and personal property for the construction and equipping of a new airport, and b) pay the costs of issuance of the Series 2015 bonds. The Series 2015 bonds are limited obligations of the Authority payable solely from certain amounts to be paid by the County and the City of Griffin to the Authority under the provisions of an Intergovernmental agreement by and between the Authority, the County, and the City of Griffin with the County and the City of Griffin each paying 50% of the total debt service requirements. The Series 2015 bonds are not deemed to constitute a debt or general obligation or pledge of the faith and credit of the State or any political subdivision thereof, including the County, City of Griffin or the Authority, within the meaning of any constitutional or statutory debt limitation. The payments provided for under the Intergovernmental Agreement constitute general obligations of the County and the City for which its full faith, credit and taxing powers are pledged.

The County's portion of revenue bonds payable debt service requirements to maturity, including interest, are as follows:

| Fiscal year ending June 30, | Principal | Interest |
|---|---|---|
| 2019 | $ 232,500 | $ 108,550 |
| 2020 | 237,500 | 103,900 |
| 2021 | 245,000 | 96,775 |
| 2022 | 250,000 | 89,425 |
| 2023 | 257,500 | 81,925 |
| 2024 - 2028 | 1,420,000 | 284,138 |
| 2029 and 2030 | 642,500 | 38,800 |
| Total | $ 3,285,000 | $ 803,513 |

## 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, 2018:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Bonds payable, Series 2008 | $ 1,790,000 | $ - | $ (495,000) | $ 1,295,000 | $ 600,000 |
| Deferred amounts: | | | | | |
| Discount | (4,176) | - | 1,927 | (2,249) | - |
| Bonds payable, Series 2015 | 9,445,000 | - | (110,000) | 9,335,000 | 110,000 |
| Deferred amounts: | | | | | |
| Premium | 713,320 | - | (90,795) | 622,525 | - |
| Total bonds payable | 11,944,144 | - | (693,868) | 11,250,276 | 710,000 |
| Compensated absences | 13,831 | 11,822 | (10,625) | 15,028 | 9,017 |
| Water Authority long-term liabilities | $ 11,957,975 | $ 11,822 | $ (704,493) | $ 11,265,304 | $ 719,017 |

**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, 2018, the unamortized premium was $622,525.

During the year ended June 30, 2015, 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, 2018 of $348,761 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, 2018. As of June 30, 2018, 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, 2018, 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 | $ 1,295,000 |
| Water Authority - Series 2015 | 2.00 - 4.00% | 13 years | 2028 | 9,580,000 | 9,335,000 |
| | Less unamortized discount | | | | (2,249) |
| | Plus unamortized premium | | | | 622,525 |
| | | | | | $ 11,250,276 |

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

| Fiscal year ending June 30, | Principal | Interest |
|---|---|---|
| 2019 | $ 710,000 | $ 368,313 |
| 2020 | 810,000 | 331,694 |
| 2021 | 880,000 | 298,525 |
| 2022 | 905,000 | 271,750 |
| 2023 | 940,000 | 244,074 |
| 2024 - 2028 | 5,220,000 | 723,200 |
| 2029 - 2033 | 1,165,000 | 23,300 |
| Total | $ 10,630,000 | $ 2,260,856 |

## NOTE 8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Nonmajor governmental funds | $ 35,836 |
| General Fund | Capital Projects 2008 SPLOST Fund | 82,726 |
| General Fund | Capital Projects 2016 SPLOST Fund | 113,430 |
| Nonmajor governmental funds | Capital Projects 2016 SPLOST Fund | 875 |
| Nonmajor governmental funds | Nonmajor governmental funds | 5,033 |
| Nonmajor governmental funds | General Fund | 21,856 |
| Fire District Fund | General Fund | 44,217 |
| | | $ 303,973 |

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 | $ 1,662,222 |
| Nonmajor governmental funds | Fire District Fund | 13,100 |
| Nonmajor governmental funds | General Fund | 986,965 |
| | | $ 2,662,287 |

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, 2017, pension plan membership consisted of the following:

| | |
|---|---|
| Retirees, Beneficiaries, and Disables receiving benefits | 146 |
| Terminated Plan participants entitled to but not receiving benefits | 176 |
| Active employees participating in the Plan | 376 |
| Total number of Plan participants | 698 |

## 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, 2018, the County's contribution rate was 8.64% of annual payroll. County contributions to the Plan were $1,275,118 for the year ended June 30, 2018.

### Net Pension Liability of the County

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

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

| | |
|---|---|
| Inflation | 3.00% |
| Salary increases | 3.50% - 5.00%, including inflation |
| Investment rate of return | 7.25%, 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, 2017 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 (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2017, are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return* |
|---|---|---|
| S&P 500 | 30.00 % | 3.07 % |
| Barlay's Agg. | 30.00 | 1.97 |
| MSCI EAFE | 15.00 | 0.86 |
| Citi Non US WEBI | 5.00 | 0.30 |
| NARREIT Equity | 5.00 | 0.52 |
| Russell 2000 | 5.00 | 0.47 |
| Russell 3000 | 5.00 | 0.51 |
| S&P Mid Cap | 5.00 | 0.58 |
| 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 7.25%. 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, 2018, were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at June 30, 2017 | $ 30,974,401 | $ 22,263,832 | $ 8,710,569 |
| *Changes for the year:* | | | |
| Service cost | 498,620 | - | 498,620 |
| Interest | 2,189,667 | - | 2,189,667 |
| Differences between expected and actual experience | (974,091) | - | (974,091) |
| Contributions—employer | - | 1,275,118 | (1,275,118) |
| Net investment income | - | 3,470,460 | (3,470,460) |
| Assumption change | 73,984 | - | 73,984 |
| Benefit payments, including refunds of employee contributions | (1,544,193) | (1,544,193) | - |
| Administrative expense | - | (68,878) | 68,878 |
| Other changes | - | (189,624) | 189,624 |
| *Net changes* | 243,987 | 2,942,883 | (2,698,896) |
| Balances at June 30, 2018 | $ 31,218,388 | $ 25,206,715 | $ 6,011,673 |

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| County's net pension liability | $ 9,789,565 | $ 6,011,673 | $ 2,856,446 |

## 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, 2016, 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, 2018, the County recognized pension expense of $1,197,547. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Net difference between projected and actual earnings on plan investments | $ - | $ 772,142 |
| Differences between expected and actual experience | - | 1,539,797 |
| Other changes in assumptions | 1,196,350 | - |
| Total | $ 1,196,350 | $ 2,311,939 |

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

| Year ending June 30: | |
|---|---|
| 2019 | $ (86,302) |
| 2020 | (86,302) |
| 2021 | (402,741) |
| 2022 | (489,299) |
| 2023 | (50,945) |
| Total | $ (1,115,589) |

## 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, 2018, there were 400 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 years of continuous service. For the fiscal year ending June 30, 2018, the County's contribution to the Plan was $404,396. The amount contributed by employees was $842,478.

## NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit Post-Retirement Benefit Plan (the "OPEB Plan"). The OPEB Plan is under the direction of the County's Board of Commissioners. The County provides post-retirement healthcare 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, 11 employees are enrolled in post-retirement healthcare benefits. The County's Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

## 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 latest actuarial valuation at July 1, 2016:

| | |
|---|---|
| Active members | 389 |
| Retired members | 9 |
| | 398 |

### Contributions

The Board of Commissioners has elected to fund the OPEB Plan on a "pay as you go" basis. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2018, the County contributed $50,761 for the pay as you go benefits for the OPEB Plan.

### Total OPEB Liability of the County

Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* which significantly changed the County's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The County's total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2016, with the actuary using standard techniques to roll forward the liability to the measurement date.

*Actuarial assumptions.* The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Discount Rate: | 3.58% |
| Healthcare Cost Trend Rate: | 10.00% graded by 1.00% per year to an ultimate rate of 5.00% |
| Inflation Rate: | 2.50% |
| Participation Rate: | 25.00% |

Mortality rates were based on the RP-2014 with MP-2016 scale Mortality Table, with separate rates for males and females.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period 2010-2014.

## NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.58%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.58% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2017.

**Changes in the Total OPEB Liability of the County**

The changes in the total OPEB liability of the County for the year ended June 30, 2018, were as follows:

| | Total OPEB Liability |
|---|---|
| **Beginning balance** | $ 1,851,618 |
| **Changes for the year:** | |
| Service cost | 87,126 |
| Interest | 54,070 |
| Differences between expected and actual experience | (47,483) |
| Assumption changes | (117,366) |
| Benefit payments | (37,903) |
| **Net change** | (61,556) |
| **Ending balance** | $ 1,790,062 |

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

## NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**Sensitivity of the Total OPEB Liability to changes in the discount rate**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

| | 2.58% 1% Decrease | 3.58% Discount Rate | 4.58% 1% Increase |
|---|---|---|---|
| **Total OPEB liability** | 1,956,529 | 1,790,062 | 1,641,448 |

**Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 2.58% 1% Decrease | 3.58% Discount Rate | 4.58% 1% Increase |
|---|---|---|---|
| **Total OPEB liability** | 2,351,016 | 1,790,062 | 1,312,706 |

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 revisions 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 June 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

## NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the County recognized OPEB expense of $128,544. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources |
|---|---|
| Differences between expected and actual experience | $ 43,839 |
| Other changes in assumptions | 108,358 |
| Contributions subsequent to measurement date | 50,761 |
| Total | $ 202,958 |

County contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019. Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending June 30: | |
|---|---|
| 2019 | $ 12,652 |
| 2020 | 12,652 |
| 2021 | 12,652 |
| 2022 | 12,652 |
| 2023 | 12,652 |
| 2024 - 2028 | 63,260 |
| 2029 - 2031 | 25,677 |
| Total | $ 152,197 |

## NOTE 12. RISK MANAGEMENT

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

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

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

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 O.C.G.A., 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.

## NOTE 12. RISK MANAGEMENT (CONTINUED)

Chapter 85 of Title 36 and Chapter 9 of Title 34 of the O.C.G.A. authorize Georgia counties to form inter-local 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 $611,594 as of June 30, 2018, of the Workers' Compensation Trust Fund is based on the requirements of GASB Statement No. 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.

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 2018 and 2017 were as follows:

| **Workers' Compensation Trust Fund** | **June 30, 2018** | June 30, 2017 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | **$ 303,372** | $ 333,492 |
| Expenses incurred | **846,693** | 133,413 |
| Payments disbursed | **(538,471)** | (163,533) |
| Unpaid claims, end of fiscal year | **$ 611,594** | $ 303,372 |

## 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:

| Encumbrances | |
|---|---|
| Hotel/Motel Fund | $ 26,691 |
| Fire District Fund | 7,144 |
| General Fund | 76,945 |
| | $ 110,780 |

## NOTE 14. JOINT VENTURES

### Airport

During the year ended June 30, 2018, the County, jointly with the City of Griffin, provided funding for the Griffin-Spalding County Airport (the "Airport"). On September 29, 1992, the Board of Commissioners approved funding for one half of the Airport's operating deficit for an unspecified period of time. The total paid to the Airport for fiscal year 2018 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 ten-county central Georgia area, is a member of the Three Rivers Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2018, the County paid $41,878 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (O.C.G.A.) 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. O.C.G.A. 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 2018 was $44,000. The County has no further accountability for this organization.

## NOTE 16. HOTEL/MOTEL LODGING TAX

During the year ended June 30, 2018, the County levied an 8.00% hotel/motel tax on lodging facilities within the County. The County allocates 5.00% of this tax for the promotion of tourism, conventions, or trade shows as required by Official Code of Georgia Annotated 48-13-51. The remaining 3.00% of this tax are allowed to be disbursed to the General Fund. For the fiscal year ended June 30, 2018, the County collected $295,900 of hotel/motel taxes of which $110,969 went to support the general fund and $184,931 went to the tourism fund. Collections in the hotel/motel tax fund were used for the promotion of tourism within the County.

## NOTE 17. TAX ABATEMENT PROGRAMS

The County enters into property tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case by case basis for individual businesses for both real and personal property from the Griffin-Spalding Development Authority.

During the year ended June 30, 2018, the County abated property taxes totaling $344,090, and $428,904 for real property tax abatements and personal property tax abatements, respectively. Tax abatements during the current year range from 0% to 100% of assessed property values over a time period up to ten years.

## NOTE 18. CHANGE IN ACCOUNTING PRINCIPLE

The County determined the restatements to beginning net position of the governmental activities was required to recognize the change in accounting principle for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. These restatements are as follows:

| | Governmental Activities |
|---|---|
| Net position, as previously reported | $ 97,043,562 |
| Adjustment to remove the net OPEB obligation in accordance with GASB Statement No. 75 | 1,044,199 |
| Adjustment needed to record the total OPEB liability in accordance with GASB Statement No. 75 | (1,851,618) |
| Adjustment needed to record OPEB deferred outflows of resources for contributions made subsequent to the measurement date in accordance with GASB Statement No. 75 | 37,903 |
| Net position, as restated | $ 96,274,046 |

# REQUIRED SUPPLEMENTARY INFORMATION

# SPALDING COUNTY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

| | 2018 |
|---|---|
| **Total OPEB liability** | |
| Service cost | $ 87,126 |
| Interest on total pension liability | 54,070 |
| Changes of benefit terms | |
| Differences between expected and actual experience | (47,483) |
| Changes of assumptions | (117,366) |
| Benefit payments | (37,903) |
| **Net change in total OPEB liability** | (61,556) |
| **Total OPEB liability - beginning** | 1,851,618 |
| **Total OPEB liability - ending (a)** | $ 1,790,062 |
| **Covered-employee payroll** | $ 22,185,006 |
| **County's total OPEB liability as a percentage of covered-employee payroll** | 8.07% |

**Notes to the Schedule**

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

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

| | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| **Total pension liability** | | | | |
| Service cost | **$ 498,620** | $ 450,476 | $ 447,289 | $ 460,213 |
| Interest on total pension liability | **2,189,667** | 2,161,674 | 2,100,683 | 2,015,681 |
| Changes of benefit terms | | | | |
| Differences between expected and actual experience | **(974,091)** | (602,771) | (714,219) | - |
| Changes of assumptions | **73,984** | 878,346 | 1,130,608 | - |
| Benefit payments, including refunds of employee contributions | **(1,544,193)** | (1,471,285) | (1,415,512) | (1,342,527) |
| **Net change in total pension liability** | **243,987** | 1,416,440 | 1,548,849 | 1,133,367 |
| **Total pension liability - beginning** | **30,974,401** | 29,557,961 | 28,009,112 | 26,875,745 |
| **Total pension liability - ending (a)** | **$ 31,218,388** | $ 30,974,401 | $ 29,557,961 | $ 28,009,112 |
| **Plan fiduciary net position** | | | | |
| Contributions - employer | **$ 1,275,118** | $ 1,238,475 | $ 1,199,522 | $ 1,334,262 |
| Net investment income | **3,470,460** | 1,542,031 | 146,812 | 1,430,252 |
| Benefit payments, including refunds of employee contributions | **(1,544,193)** | (1,471,285) | (1,364,349) | (1,294,002) |
| Administrative expenses | **(68,878)** | (72,390) | (69,586) | (67,301) |
| Other | **(189,624)** | (171,486) | (145,754) | (147,776) |
| **Net change in fiduciary net position** | **2,942,883** | 1,065,345 | (233,355) | 1,255,435 |
| **Plan fiduciary net position - beginning** | **22,263,832** | 21,198,487 | 21,431,842 | 20,176,407 |
| **Plan fiduciary net position - ending (b)** | **$ 25,206,715** | $ 22,263,832 | $ 21,198,487 | $ 21,431,842 |
| **County's net pension liability - ending (a) - (b)** | **$ 6,011,673** | $ 8,710,569 | $ 8,359,474 | $ 6,577,270 |
| **Plan fiduciary net position as a percentage of total pension liability** | **80.74%** | 71.88% | 71.72% | 76.52% |
| **Covered-employee payroll** | **$ 14,765,645** | $ 14,693,833 | $ 14,458,040 | $ 14,657,303 |
| **County's net pension liability as a percentage of covered-employee payroll** | **40.71%** | 59.28% | 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

| | **2018** | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Actuarially determined contribution | **$ 1,275,118** | $ 1,197,114 | $ 1,151,588 | $ 1,216,126 |
| Contributions in relation to the actuarially determined contribution | **1,275,118** | 1,238,475 | 1,199,522 | 1,334,262 |
| Contribution deficiency (excess) | **$ -** | $ (41,361) | $ (47,934) | $ (118,136) |
| Covered-employee payroll | **$ 14,765,645** | $ 14,693,833 | $ 14,458,040 | $ 14,657,303 |
| Contributions as a percentage of covered-employee payroll | **8.64%** | 8.43% | 8.30% | 9.10% |

### Notes to the Schedule

| | |
|---|---|
| Valuation Date | January 1, 2017 |
| Cost Method | Entry Age Normal |
| Actuarial Asset Valuation Method | Smoothed market value with a five-year smoothing period |
| Assumed Rate of Return on Investments | 7.25% |
| Projected Salary Increases | 3.50% - 5.00% (including 3.00% 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.

# 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** | 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.

**2015 Airport Authority Debt Service** — To account for the accumulation of resources for the payment of debt principal and interest for the 2015 Airport Authority Revenue 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, 2018

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Community Services Block Grant | Emergency 911 | Confiscated Assets | Law Library | Senior Nutrition |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 11,743 | $ 513,999 | $ 359,117 | $ 88,382 | $ - |
| Investments | - | - | - | - | - |
| Accounts receivable | - | 174,676 | - | - | - |
| Due from other governments | 17,341 | - | - | - | 56,351 |
| Due from other funds | - | 15,742 | - | - | 5,033 |
| Total assets | $ 29,084 | $ 704,417 | $ 359,117 | $ 88,382 | $ 61,384 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 5,953 | $ 5,056 | $ - | $ 3,304 | $ 188,005 |
| Accrued liabilities | 3,031 | 26,738 | - | - | 4,250 |
| Due to other funds | 5,033 | - | - | - | - |
| Due to other governments | - | - | - | - | - |
| Total liabilities | 14,017 | 31,794 | - | 3,304 | 192,255 |
| **FUND BALANCES, (DEFICIT)** | | | | | |
| Restricted for: | | | | | |
| Grant purposes | 15,067 | - | - | - | - |
| Judicial | - | - | - | 85,078 | - |
| Public safety | - | 672,623 | 359,117 | - | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Housing and development | - | - | - | - | - |
| Assigned for: | | | | | |
| Capital projects | - | - | - | - | - |
| Housing and development | - | - | - | - | - |
| Unassigned | - | - | - | - | (130,871) |
| Total fund balances (deficit) | 15,067 | 672,623 | 359,117 | 85,078 | (130,871) |
| Total liabilities and fund balances | $ 29,084 | $ 704,417 | $ 359,117 | $ 88,382 | $ 61,384 |

| | | | Debt Service | | | |
|---|---|---|---|---|---|---|
| Tourism | Local Victims Assistance Program | Griffin Judicial Circuit Drug Court | GMA Lease Pool Debt Service | 2008 SPLOST Debt Service | 2016 SPLOST Debt Service | 2015 Airport Debt Service |
| $ 296,532 | $ 352,999 | $ 4,482 | $ 713,026 | $ 203 | $ 920,579 | $ - |
| - | - | - | 342,811 | - | - | - |
| - | - | - | - | - | - | - |
| - | 7,233 | - | - | - | - | - |
| - | 6,989 | - | - | - | - | - |
| $ 296,532 | $ 367,221 | $ 4,482 | $ 1,055,837 | $ 203 | $ 920,579 | $ - |
| $ 36,211 | $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 348,059 | - |
| 36,211 | - | - | - | - | 348,059 | - |
| - | - | - | - | - | - | - |
| - | 367,221 | 4,482 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 109,434 | - | - | - |
| - | - | - | 946,403 | 203 | 572,520 | - |
| 233,630 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 26,691 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 260,321 | 367,221 | 4,482 | 1,055,837 | 203 | 572,520 | - |
| $ 296,532 | $ 367,221 | $ 4,482 | $ 1,055,837 | $ 203 | $ 920,579 | $ - |

**(Continued)**

# SPALDING COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## JUNE 30, 2018

| ASSETS | Capital Projects | | | |
|---|---|---|---|---|
| | Impact Fees | Capital Projects General | Capital Projects 2005 SPLOST | Total |
| Cash and cash equivalents | $ 2,334,765 | $ 97,508 | $ 2 | $ 5,693,337 |
| Investments | - | - | - | 342,811 |
| Accounts receivable | - | - | - | 174,676 |
| Due from other governments | - | - | - | 80,925 |
| Due from other funds | - | - | - | 27,764 |
| Total assets | $ 2,334,765 | $ 97,508 | $ 2 | $ 6,319,513 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ - | $ - | $ - | $ 238,529 |
| Accrued liabilities | - | - | - | 34,019 |
| Due to other funds | 35,836 | - | - | 40,869 |
| Due to other governments | - | - | - | 348,059 |
| Total liabilities | 35,836 | - | - | 661,476 |
| **FUND BALANCES, (DEFICIT)** | | | | |
| Restricted for: | | | | |
| Grant purposes | - | - | - | 15,067 |
| Judicial | - | - | - | 456,781 |
| Public safety | - | - | - | 1,031,740 |
| Capital projects | 2,298,929 | - | 2 | 2,408,365 |
| Debt service | - | - | - | 1,519,126 |
| Housing and development | - | - | - | 233,630 |
| Assigned for: | | | | |
| Capital projects | - | 97,508 | - | 97,508 |
| Housing and development | - | - | - | 26,691 |
| Unassigned | - | - | - | (130,871) |
| Total fund balances (deficit) | 2,298,929 | 97,508 | 2 | 5,658,037 |
| Total liabilities and fund balances | $ 2,334,765 | $ 97,508 | $ 2 | $ 6,319,513 |

# SPALDING COUNTY, GEORGIA

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

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Community Services Block Grant | Emergency 911 | Confiscated Assets | Law Library | Senior Nutrition |
| **REVENUES** | | | | | |
| Other taxes | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental | 114,896 | - | - | - | 290,633 |
| Charges for services | - | 1,074,692 | - | - | - |
| Court fees, fines, and forfeitures | - | - | 334,086 | 65,511 | - |
| Interest | - | - | 438 | 81 | - |
| Other | - | 563 | - | 76 | 111,371 |
| Total revenues | 114,896 | 1,075,255 | 334,524 | 65,668 | 402,004 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General government | 30,872 | - | - | - | - |
| Judicial | 34,908 | - | - | 42,975 | - |
| Public safety | - | 1,304,664 | 254,320 | - | - |
| Health and welfare | 59,029 | - | - | - | 452,870 |
| Housing and development | - | - | - | - | - |
| Debt service: | | | | | |
| Interest | - | - | - | - | - |
| Total expenditures | 124,809 | 1,304,664 | 254,320 | 42,975 | 452,870 |
| Excess (deficiency) of revenues over (under) expenditures | (9,913) | (229,409) | 80,204 | 22,693 | (50,866) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | - | 271,777 | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | - | 271,777 | - | - | - |
| Net change in fund balances | (9,913) | 42,368 | 80,204 | 22,693 | (50,866) |
| **FUND BALANCES (DEFICIT), beginning of year** | 24,980 | 630,255 | 278,913 | 62,385 | (80,005) |
| **FUND BALANCES (DEFICIT), end of year** | $ 15,067 | $ 672,623 | $ 359,117 | $ 85,078 | $ (130,871) |

| Tourism | Local Victims Assistance Program | Griffin Judicial Circuit Drug Court | Debt Service: GMA Lease Pool Debt Service | Debt Service: 2008 SPLOST Debt Service | Debt Service: 2016 SPLOST Debt Service | Debt Service: 2015 Airport Debt Service |
|---|---|---|---|---|---|---|
| $ 184,931 | $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | 723,169 | - |
| - | - | - | - | - | - | - |
| - | 80,171 | - | - | - | - | - |
| - | 201 | - | 112,953 | - | 501 | - |
| - | - | - | - | - | - | - |
| 184,931 | 80,372 | - | 112,953 | - | 723,670 | - |
| - | - | - | - | - | - | 15,513 |
| - | 18,404 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 199,370 | - | - | - | - | - | - |
| - | - | - | 128,750 | - | 302,300 | 54,275 |
| 199,370 | 18,404 | - | 128,750 | - | 302,300 | 69,788 |
| (14,439) | 61,968 | - | (15,797) | - | 421,370 | (69,788) |
| - | - | - | 638,500 | - | - | 69,788 |
| - | - | - | (1,662,222) | - | - | - |
| - | - | - | (1,023,722) | - | - | 69,788 |
| (14,439) | 61,968 | - | (1,039,519) | - | 421,370 | - |
| 274,760 | 305,253 | 4,482 | 2,095,356 | 203 | 151,150 | - |
| $ 260,321 | $ 367,221 | $ 4,482 | $ 1,055,837 | $ 203 | $ 572,520 | $ - |

**(Continued)**

# SPALDING COUNTY, GEORGIA

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

| | Capital Projects | | | |
|---|---|---|---|---|
| | Impact Fees | Capital Projects General | Capital Projects 2005 SPLOST | Total |
| **REVENUES** | | | | |
| Other taxes | $ - | $ - | $ - | $ 184,931 |
| Intergovernmental | - | - | - | 1,128,698 |
| Charges for services | 416,036 | - | - | 1,490,728 |
| Court fees, fines, and forfeitures | - | - | - | 479,768 |
| Interest | - | - | - | 114,174 |
| Other | - | - | - | 112,010 |
| Total revenues | 416,036 | - | - | 3,510,309 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | 50,047 | - | - | 96,432 |
| Judicial | - | - | - | 96,287 |
| Public safety | - | - | - | 1,558,984 |
| Health and welfare | - | - | - | 511,899 |
| Housing and development | - | - | - | 199,370 |
| Capital outlay | 35,836 | - | - | 35,836 |
| Debt service: | | | | |
| Interest | - | - | - | 485,325 |
| Total expenditures | 85,883 | - | - | 2,984,133 |
| Excess (deficiency) of revenues over (under) expenditures | 330,153 | - | - | 526,176 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | 20,000 | - | 1,000,065 |
| Transfers out | - | - | - | (1,662,222) |
| Total other financing sources (uses) | - | 20,000 | - | (662,157) |
| Net change in fund balances | 330,153 | 20,000 | - | (135,981) |
| **FUND BALANCES, beginning of year** | 1,968,776 | 77,508 | 2 | 5,794,018 |
| **FUND BALANCES (DEFICIT), end of year** | $ 2,298,929 | $ 97,508 | $ 2 | $ 5,658,037 |

# 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, 2018

| | Community Services Block Grant | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Other taxes | $ - | $ - | $ - |
| Intergovernmental | 126,983 | 114,896 | (12,087) |
| Charges for services | - | - | - |
| Court fees, fines, and forfeitures | - | - | - |
| Interest | - | - | - |
| Other | - | - | - |
| Total revenues | 126,983 | 114,896 | (12,087) |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | 26,880 | 30,872 | (3,992) |
| Judicial | 25,103 | 34,908 | (9,805) |
| Public safety | - | - | - |
| Health and welfare | 75,000 | 59,029 | 15,971 |
| Housing and development | - | - | - |
| Total expenditures | 126,983 | 124,809 | 2,174 |
| Excess (deficiency) of revenues over (under) expenditures | - | (9,913) | (9,913) |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | - | - |
| Total other financing sources | - | - | - |
| Net change in fund balances | - | (9,913) | (9,913) |
| **FUND BALANCES (DEFICIT), beginning of year** | 24,980 | 24,980 | - |
| **FUND BALANCES (DEFICIT), end of year** | $ 24,980 | $ 15,067 | $ (9,913) |

| Emergency 911 | | | Confiscated Assets | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance With Final Budget | Final Budget | Actual | Variance With Final Budget |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| 1,168,199 | 1,074,692 | (93,507) | - | - | - |
| - | - | - | 375,000 | 334,086 | (40,914) |
| - | - | - | - | 438 | 438 |
| - | 563 | 563 | - | - | - |
| 1,168,199 | 1,075,255 | (92,944) | 375,000 | 334,524 | (40,476) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,439,976 | 1,304,664 | 135,312 | 375,000 | 254,320 | 120,680 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,439,976 | 1,304,664 | 135,312 | 375,000 | 254,320 | 120,680 |
| (271,777) | (229,409) | 42,368 | - | 80,204 | 80,204 |
| 271,777 | 271,777 | - | - | - | - |
| 271,777 | 271,777 | - | - | - | - |
| - | 42,368 | 42,368 | - | 80,204 | 80,204 |
| 630,255 | 630,255 | - | 278,913 | 278,913 | - |
| $ 630,255 | $ 672,623 | $ 42,368 | $ 278,913 | $ 359,117 | $ 80,204 |

**(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, 2018

| | Law Library | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Other taxes | $ - | $ - | $ - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Court fees, fines, and forfeitures | 48,000 | 65,511 | 17,511 |
| Interest | - | 81 | 81 |
| Other | - | 76 | 76 |
| Total revenues | 48,000 | 65,668 | 17,668 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Judicial | 52,000 | 42,975 | 9,025 |
| Public safety | - | - | - |
| Public works | - | - | - |
| Health and welfare | - | - | - |
| Housing and development | - | - | - |
| Total expenditures | 52,000 | 42,975 | 9,025 |
| Excess (deficiency) of revenues over (under) expenditures | (4,000) | 22,693 | 26,693 |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | - | - |
| Total other financing sources | - | - | - |
| Net change in fund balances | (4,000) | 22,693 | 26,693 |
| **FUND BALANCES (DEFICIT), beginning of year** | 62,385 | 62,385 | - |
| **FUND BALANCES (DEFICIT), end of year** | $ 58,385 | $ 85,078 | $ 26,693 |

| Senior Nutrition | | | Tourism | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance With Final Budget | Final Budget | Actual | Variance With Final Budget |
| $ - | $ - | $ - | $ 177,000 | $ 184,931 | $ 7,931 |
| 305,000 | 290,633 | (14,367) | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 101,934 | 111,371 | 9,437 | - | - | - |
| 406,934 | 402,004 | (4,930) | 177,000 | 184,931 | 7,931 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 456,934 | 452,870 | 4,064 | - | - | - |
| - | - | - | 217,000 | 199,370 | 17,630 |
| 456,934 | 452,870 | 4,064 | 217,000 | 199,370 | 17,630 |
| (50,000) | (50,866) | (866) | (40,000) | (14,439) | 25,561 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (50,000) | (50,866) | (866) | (40,000) | (14,439) | 25,561 |
| (80,005) | (80,005) | - | 274,760 | 274,760 | - |
| $ (130,005) | $ (130,871) | $ (866) | $ 234,760 | $ 260,321 | $ 25,561 |

**(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, 2018

| | 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 | 80,171 | 20,171 |
| Interest | - | 201 | 201 |
| Other | - | - | - |
| Total revenues | 60,000 | 80,372 | 20,372 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Judicial | 60,000 | 18,404 | 41,596 |
| Public safety | - | - | - |
| Health and welfare | - | - | - |
| Housing and development | - | - | - |
| Total expenditures | 60,000 | 18,404 | 41,596 |
| Excess (deficiency) of revenues over (under) expenditures | - | 61,968 | 61,968 |
| **OTHER FINANCING USES** | | | |
| Transfers in | - | - | - |
| Total other financing uses | - | - | - |
| Net change in fund balances | - | 61,968 | 61,968 |
| **FUND BALANCES (DEFICIT), beginning of year** | 305,253 | 305,253 | - |
| **FUND BALANCES (DEFICIT), end of year** | $ 305,253 | $ 367,221 | $ 61,968 |

| 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, 2018

| | 2008 SPLOST Debt Service | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Sales taxes | $ - | $ - | $ - |
| Interest | - | - | - |
| Total revenues | - | - | - |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Debt service: | | | |
| Fiscal agent fees | - | - | - |
| Interest | - | - | - |
| Total expenditures | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balances | - | - | - |
| **FUND BALANCES, beginning of year** | 203 | 203 | - |
| **FUND BALANCES, end of year** | $ 203 | $ 203 | $ - |

| 2016 SPLOST Debt Service | | | GMA Lease Pool Debt Service | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance With Final Budget | Final Budget | Actual | Variance With Final Budget |
| $ - | $ 723,169 | $ 723,169 | $ - | $ - | $ - |
| - | 501 | 501 | 150,000 | 112,953 | (37,047) |
| - | 723,670 | 723,670 | 150,000 | 112,953 | (37,047) |
| | | | | | |
| - | - | - | - | - | - |
| 3,000 | - | 3,000 | - | - | - |
| 302,300 | 302,300 | - | 129,750 | 128,750 | 1,000 |
| 305,300 | 302,300 | 3,000 | 129,750 | 128,750 | 1,000 |
| | | | | | |
| (305,300) | 421,370 | 726,670 | 20,250 | (15,797) | (36,047) |
| | | | | | |
| 305,300 | - | (305,300) | 638,500 | 638,500 | - |
| - | - | - | (658,750) | (1,662,222) | (1,003,472) |
| 305,300 | - | (305,300) | (20,250) | (1,023,722) | (1,003,472) |
| | | | | | |
| - | 421,370 | 421,370 | - | (1,039,519) | (1,039,519) |
| | | | | | |
| 151,150 | 151,150 | - | 2,095,356 | 2,095,356 | - |
| | | | | | |
| $ 151,150 | $ 572,520 | $ 421,370 | $ 2,095,356 | $ 1,055,837 | $ (1,039,519) |

**(Continued)**

# 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, 2018

| | 2015 Airport Debt Service | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Sales taxes | $ - | $ - | $ - |
| Interest | - | - | - |
| Total revenues | - | - | - |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | 15,513 | 15,513 | - |
| Debt service: | | | |
| Interest | 54,275 | 54,275 | - |
| Total expenditures | 69,788 | 69,788 | - |
| Excess (deficiency) of revenues over (under) expenditures | (69,788) | (69,788) | - |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 69,788 | 69,788 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 69,788 | 69,788 | - |
| Net change in fund balances | - | - | - |
| **FUND BALANCES, beginning of year** | - | - | - |
| **FUND BALANCES, end of year** | $ - | $ - | $ - |

# 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, 2018

| | Capital Projects General | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Sales taxes | $ - | $ - | $ - |
| Charges for services | - | - | - |
| Interest | - | - | - |
| Total revenues | - | - | - |
| **EXPENDITURES** | | | |
| Current: | | | |
| General government | - | - | - |
| Capital outlay | 97,500 | - | 97,500 |
| Total expenditures | 97,500 | - | 97,500 |
| Excess (deficiency) of revenues over (under) expenditures | (97,500) | - | 97,500 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 20,000 | 20,000 | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | 20,000 | 20,000 | - |
| Net change in fund balances | (77,500) | 20,000 | 97,500 |
| **FUND BALANCES, beginning of year** | 77,508 | 77,508 | - |
| **FUND BALANCES, end of year** | $ 8 | $ 97,508 | $ 97,500 |

| Impact Fees | | | Capital Projects 2016 SPLOST | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance With Final Budget | Final Budget | Actual | Variance With Final Budget |
| $ - | $ - | $ - | $ 4,620,000 | $ 4,189,352 | $ (430,648) |
| 281,120 | 416,036 | 134,916 | - | - | - |
| - | - | - | - | 44,928 | 44,928 |
| 281,120 | 416,036 | 134,916 | 4,620,000 | 4,234,280 | (385,720) |
| 69,000 | 50,047 | 18,953 | - | - | - |
| 1,656,200 | 35,836 | 1,620,364 | 6,101,000 | 3,123,414 | 2,977,586 |
| 1,725,200 | 85,883 | 1,639,317 | 6,101,000 | 3,123,414 | 2,977,586 |
| (1,444,080) | 330,153 | 1,774,233 | (1,481,000) | 1,110,866 | 2,591,866 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (1,444,080) | 330,153 | 1,774,233 | (1,481,000) | 1,110,866 | 2,591,866 |
| 1,968,776 | 1,968,776 | - | 5,122,660 | 5,122,660 | - |
| $ 524,696 | $ 2,298,929 | $ 1,774,233 | $ 3,641,660 | $ 6,233,526 | $ 2,591,866 |

**(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, 2018

| | Capital Projects 2008 SPLOST | | |
|---|---|---|---|
| | Final Budget | Actual | Variance With Final Budget |
| **REVENUES** | | | |
| Interest | $ - | $ 38,561 | $ 38,561 |
| Total revenues | - | 38,561 | 38,561 |
| **EXPENDITURES** | | | |
| Capital outlay | 8,397,000 | 4,083,103 | 4,313,897 |
| Debt service: | | | |
| Interest | 1,500 | - | 1,500 |
| Total expenditures | 8,398,500 | 4,083,103 | 4,315,397 |
| Excess (deficiency) of revenues over (under) expenditures | (8,398,500) | (4,044,542) | 4,353,958 |
| Net change in fund balances | (8,398,500) | (4,044,542) | 4,353,958 |
| **FUND BALANCES, beginning of year** | 6,487,528 | 6,487,528 | - |
| **FUND BALANCES, end of year** | $ (1,910,972) | $ 2,442,986 | $ 4,353,958 |

| Capital Projects 2005 SPLOST | | |
|---|---|---|
| Final Budget | Actual | Variance With Final Budget |
| $ - | $ - | $ - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 2 | 2 | - |
| $ 2 | $ 2 | $ - |

# SPALDING COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | 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 | $ 20,777,564 | $ 28,195 | $ 20,805,759 |
| Acquisition, construction, improvements, and additions to Griffin Technical College | 7,000,000 | 7,000,000 | 2,740,874 | 3,437,200 | 6,178,074 |
| Acquisition of bus for use by senior citizens and other residents | 150,000 | 150,000 | 127,827 | - | 127,827 |
| Water and sewerage system improvements | 2,500,000 | 2,500,000 | 71,966 | - | 71,966 |
| Roads, streets, bridges, transportation improvements, and equipment | 8,274,197 | 8,274,197 | 6,442,986 | 617,708 | 7,060,694 |
| City of Griffin | 10,924,198 | 10,924,198 | 10,204,020 | - | 10,204,020 |
| City of Orchard Hill | 475,605 | 475,605 | 424,749 | - | 424,749 |
| City of Sunny Side | 100,000 | 100,000 | 89,288 | - | 89,288 |
| Bond interest expense | 3,326,000 | 3,326,000 | 3,025,240 | - | 3,025,240 |
| | $ 54,000,000 | $ 54,000,000 | $ 43,904,514 | $ 4,083,103 | $ 47,987,617 |

# SPALDING COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2016 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | 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 | 1,029,701 | 209,254 | 1,238,955 |
| Equipment for the Senior Nutrition Program | 120,000 | 120,000 | 120,000 | - | 120,000 |
| Judicial computer hardware and software upgrades | 675,000 | 675,000 | 577,171 | 26,018 | 603,189 |
| Acquisition and construction of a pickleball facility | 957,000 | 957,000 | 1,451,565 | 157,108 | 1,608,673 |
| Fairmont Park improvements | 920,000 | 920,000 | 253,223 | 293,228 | 546,451 |
| Heritage Park improvements | 995,000 | 995,000 | 220,355 | 13,715 | 234,070 |
| Acquisition and installation of lighting for soccer at Wyomia Tyus Park | 460,000 | 460,000 | 445,620 | - | 445,620 |
| Relocation of 800MHz equipment from Highway 155 | 426,400 | 426,400 | 377,242 | 2,860 | 380,102 |
| Acquisition and equipping of fire trucks, tankers and extraction tools for the Fire Department | 831,000 | 831,000 | 400,537 | - | 400,537 |
| 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 | - | 13,687 | 13,687 |
| 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 | 2,886 | 204,552 | 207,438 |
| Roads, streets, bridges, transportation improvements, and equipment | 8,705,851 | 8,705,851 | 2,025,185 | 1,991,892 | 4,017,077 |
| City of Orchard Hill | 491,452 | 491,452 | 140,713 | 198,165 | 338,878 |
| City of Sunny Side | 352,430 | 352,430 | 63,553 | 12,935 | 76,488 |
| Bond interest expense | 1,625,167 | 1,625,167 | 251,917 | 302,300 | 554,217 |
| | $ 28,056,000 | $ 28,056,000 | $ 10,466,686 | $ 3,425,714 | $ 13,892,400 |

# 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, 2018

| | Tax Commissioner | Magistrate Court | Probate Court | Clerk of Superior Court |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash | $ 239,737 | $ 163,288 | $ 17,218 | $ 734,064 |
| Taxes receivable | 2,264,657 | - | - | - |
| Accounts receivable | 24,224 | - | - | - |
| Total assets | $ 2,528,618 | $ 163,288 | $ 17,218 | $ 734,064 |
| **LIABILITIES** | | | | |
| Due to others | $ 2,528,618 | $ 163,288 | $ 17,218 | $ 734,064 |

| Correctional Institution | Sheriff | Total |
|---|---|---|
| $ 60,398 | $ 359,881 | $ 1,574,586 |
| - | - | 2,264,657 |
| - | - | 24,224 |
| $ 60,398 | $ 359,881 | $ 3,863,467 |
| $ 60,398 | $ 359,881 | $ 3,863,467 |

# SPALDING COUNTY, GEORGIA

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

| | Balance July 1, 2017 | Increases | Decreases | Balance June 30, 2018 |
|---|---|---|---|---|
| **Tax Commissioner** | | | | |
| **ASSETS** | | | | |
| Cash | $ 262,691 | $ 32,524,756 | $ 32,547,710 | $ 239,737 |
| Taxes receivable | 2,774,449 | 2,264,657 | 2,774,449 | 2,264,657 |
| Accounts receivable | 23,320 | 1,808 | 904 | 24,224 |
| Total assets | $ 3,060,460 | $ 34,791,221 | $ 35,323,063 | $ 2,528,618 |
| **LIABILITIES** | | | | |
| Due to others | $ 3,060,460 | $ 34,791,221 | $ 35,323,063 | $ 2,528,618 |
| **Magistrate Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 128,264 | $ 382,834 | $ 347,810 | $ 163,288 |
| **LIABILITIES** | | | | |
| Due to others | $ 128,264 | $ 382,834 | $ 347,810 | $ 163,288 |
| **Probate Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 16,232 | $ 86,198 | $ 85,212 | $ 17,218 |
| **LIABILITIES** | | | | |
| Due to others | $ 16,232 | $ 86,198 | $ 85,212 | $ 17,218 |
| **Clerk of Superior Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 561,702 | $ 2,120,655 | $ 1,948,293 | $ 734,064 |
| **LIABILITIES** | | | | |
| Due to others | $ 561,702 | $ 2,120,655 | $ 1,948,293 | $ 734,064 |

# SPALDING COUNTY, GEORGIA

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

| | Balance July 1, 2017 | Increases | Decreases | Balance June 30, 2018 |
|---|---|---|---|---|
| **Correctional Institution** | | | | |
| **ASSETS** | | | | |
| Cash | $ 42,407 | $ 500,788 | $ 482,797 | $ 60,398 |
| **LIABILITIES** | | | | |
| Due to others | $ 42,407 | $ 500,788 | $ 482,797 | $ 60,398 |
| **Sheriff** | | | | |
| **ASSETS** | | | | |
| Cash | $ 416,514 | $ 332,766 | $ 389,399 | $ 359,881 |
| **LIABILITIES** | | | | |
| Due to others | $ 416,514 | $ 332,766 | $ 389,399 | $ 359,881 |
| **Total Agency Funds** | | | | |
| **ASSETS** | | | | |
| Cash | $ 1,427,810 | $ 35,947,997 | $ 35,801,221 | $ 1,574,586 |
| Taxes receivable | 2,774,449 | 2,264,657 | 2,774,449 | 2,264,657 |
| Accounts receivable | 23,320 | 1,808 | 904 | 24,224 |
| Total assets | $ 4,225,579 | $ 38,214,462 | $ 38,576,574 | $ 3,863,467 |
| **LIABILITIES** | | | | |
| Due to others | $ 4,225,579 | $ 38,214,462 | $ 38,576,574 | $ 3,863,467 |

# COMPONENT UNIT – WATER AUTHORITY

# SPALDING COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## COMPONENT UNIT - WATER AUTHORITY
## JUNE 30, 2018

| | |
|---|---|
| **ASSETS** | |
| **CURRENT ASSETS** | |
| Cash and cash equivalents | $ 12,508,174 |
| Accounts receivable | 1,013,547 |
| Due from primary government | 2,040 |
| Restricted assets, cash, and cash equivalents | 794,922 |
| Total current assets | 14,318,683 |
| **NONCURRENT ASSETS** | |
| Capital assets: | |
| Capital assets, non-depreciable | 13,500 |
| Capital assets, depreciable, net of accumulated depreciation | 22,842,761 |
| Total capital assets | 22,856,261 |
| Total noncurrent assets | 22,856,261 |
| Total assets | 37,174,944 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred charges on refunding | 348,761 |
| Total deferred outflows of resources | 348,761 |
| **LIABILITIES** | |
| **CURRENT LIABILITIES** | |
| Accounts payable | 58,996 |
| Accrued liabilities | 7,941 |
| Current portion of compensated absences payable | 9,017 |
| Current portion of bonds payable from restricted assets | 710,000 |
| Accrued interest | 128,321 |
| Total current liabilities | 914,275 |
| **NONCURRENT LIABILITIES** | |
| Compensated absences payable, net of current portion | 6,011 |
| Bonds payable, net of current portion | 10,540,276 |
| Total noncurrent liabilities | 10,546,287 |
| Total liabilities | 11,460,562 |
| **NET POSITION** | |
| Net investment in capital assets | 11,954,748 |
| Unrestricted | 14,108,395 |
| Total net position | $ 26,063,143 |

# SPALDING COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
## COMPONENT UNIT - WATER AUTHORITY
## FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | |
|---|---|
| **OPERATING REVENUES** | |
| Charges for services | $ 8,399,530 |
| Total operating revenues | 8,399,530 |
| **OPERATING EXPENSES** | |
| Personal services and employee benefits | 296,129 |
| Contracted services | 5,473,580 |
| Material and supplies | 230,313 |
| Other operating expenses | 72,208 |
| Depreciation | 726,265 |
| Total operating expenses | 6,798,495 |
| Operating income | 1,601,035 |
| **NON-OPERATING INCOME (EXPENSES)** | |
| Interest income | 3,051 |
| Interest expense | (606,624) |
| Total non-operating income (expenses) | (603,573) |
| Change in net position | 997,462 |
| **NET POSITION, beginning of year** | 25,065,681 |
| **NET POSITION, end of year** | $ 26,063,143 |

# SPALDING COUNTY, GEORGIA

## STATEMENT OF CASH FLOWS
## COMPONENT UNIT - WATER AUTHORITY
## FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| | | |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers and users | $ | 8,446,433 |
| Payments to employees | | 5,049 |
| Payments to suppliers for goods and services provided | | (5,725,501) |
| Net cash provided by operating activities | | 2,725,981 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Purchases of capital assets | | (144,324) |
| Principal payments on long-term borrowings | | (605,000) |
| Interest payments on long-term borrowings | | (704,475) |
| Net cash used in capital and related financing activities | | (1,453,799) |
| Net increase in cash and cash equivalents | | 1,275,233 |
| Cash and cash equivalents, beginning of year | | 12,027,863 |
| Cash and cash equivalents, end of year | $ | 13,303,096 |
| **Reconciliation to the statement of net position:** | | |
| Cash | $ | 12,508,174 |
| Restricted cash | | 794,922 |
| Total | $ | 13,303,096 |
| **Reconciliation of operating income to net cash provided by operating activities:** | | |
| Operating income | $ | 1,601,035 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | | 726,265 |
| Decrease in accounts receivable | | 46,903 |
| Decrease in deferred outflows of resources | | 298,938 |
| Increase in accrued liabilities | | 2,240 |
| Increase in accounts payable | | 50,600 |
| Net cash provided by operating activities | $ | 2,725,981 |

# 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** ..... **106 – 113**

*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** ..... **114 – 119**

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

**Debt Capacity** ..... **120 – 123**

*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** ..... **124 and 125**

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

**Operating Information** ..... **126 – 129**

*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 | | | | |
|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Investment in capital assets | $ 86,170,339 | $ 85,388,780 | $ 82,982,348 | $ 82,563,218 | $ 85,013,668 |
| Restricted | 19,227,417 | 21,882,136 | 20,114,417 | 23,034,482 | 22,485,176 |
| Unrestricted | (11,532,360) | (11,601,739) | (9,704,012) | (7,948,212) | (6,712,169) |
| Total primary government net position | $ 93,865,396 | $ 95,669,177 | $ 93,392,753 | $ 97,649,488 | $ 100,786,675 |

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

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| $ 84,742,325 | $ 85,020,018 | $ 80,220,168 | $ 84,145,000 | $ 81,899,912 |
| 22,961,705 | 22,977,148 | 22,603,433 | 18,546,505 | 16,753,035 |
| (2,321,893) | (4,259,173) | (3,484,551) | (5,647,943) | (6,092,143) |
| $ 105,382,137 | $ 103,737,993 | $ 99,339,050 | $ 97,043,562 | $ 92,560,804 |

# SPALDING COUNTY, GEORGIA

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

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| **Expenses** | | | | | |
| Governmental activities: | | | | | |
| General government | $ 6,640,547 | $ 7,107,940 | $ 7,417,820 | $ 7,236,133 | $ 7,179,178 |
| Judicial | 4,584,031 | 4,528,384 | 4,617,323 | 5,088,552 | 4,858,593 |
| Public safety | 25,241,705 | 26,524,500 | 28,442,241 | 28,124,718 | 27,907,077 |
| Public works | 6,809,609 | 5,398,943 | 5,374,364 | 4,339,173 | 4,423,522 |
| Health and welfare | 911,148 | 1,095,175 | 934,364 | 620,797 | 615,933 |
| Culture and recreation | 2,731,539 | 2,643,500 | 2,677,153 | 2,848,613 | 2,586,924 |
| Housing and development | 17,475,860 (4) | 4,522,298 | 6,118,772 | 996,194 | 793,346 |
| Interest on long-term debt | 982,324 | 1,145,336 | 1,085,318 | 909,418 | 749,441 |
| Total primary government expenses | $ 65,376,763 | $ 52,966,076 | $ 56,667,355 | $ 50,163,598 | $ 49,114,014 |
| **Program revenues** | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | $ 2,138,686 | $ 1,983,902 | $ 1,956,814 | $ 2,203,046 | $ 1,813,058 |
| Judicial | 2,273,881 | 1,912,642 | 1,890,553 | 1,866,206 | 1,685,596 |
| Public safety | 4,835,871 | 5,968,936 | 5,656,679 | 5,641,026 | 5,300,243 |
| Other activities | 874,976 | 424,059 | 353,893 | 441,843 | 380,215 |
| Operating grants and contributions | 1,332,716 | 1,601,575 | 1,954,506 | 1,065,062 | 1,480,378 |
| Capital grants and contributions | 1,090,102 | 829,112 | 761,524 | 194,477 | 275,942 |
| Total primary government program revenues | $ 12,546,232 | $ 12,720,226 | $ 12,573,969 | $ 11,411,660 | $ 10,935,432 |
| Net (expense)/revenue | | | | | |
| Total primary government net expense | $ (52,830,531) | $ (40,245,850) | $ (44,093,386) | $ (38,751,938) | $ (38,178,582) |
| **General Revenues and Other Changes in Net Position** | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | $ 22,220,678 | $ 23,667,798 | $ 24,304,835 | $ 23,803,917 | $ 23,156,753 |
| Alcoholic beverage taxes | 352,417 | 330,645 | 342,638 | 332,017 | 333,786 |
| Vehicle taxes | 1,759,125 | 1,670,521 | 1,758,346 | 1,855,547 | 2,119,129 |
| Sales taxes | 13,000,013 | 13,657,070 | 12,772,683 | 14,367,296 | 12,821,902 |
| Intangible taxes | 230,473 | 193,729 | 197,775 | 199,474 | 280,425 |
| Insurance premium taxes | 1,720,094 | 1,695,431 | 1,648,929 | 1,676,704 | 1,791,251 |
| Hotel/motel taxes | 99,947 | 89,395 | 96,106 | 96,737 | 110,037 |
| Other taxes | 501,048 | 508,020 | 498,342 | 514,422 | 539,489 |
| Unrestricted investment earnings | 391,847 | 229,070 | 197,308 | 162,559 | 162,997 |
| Total primary government | $ 32,097,752 | $ 42,041,679 | $ 41,816,962 | $ 43,008,673 | $ 41,315,769 |
| **Change in Net Position** | | | | | |
| Total primary government | $ (20,732,779) | $ 1,795,829 | $ (2,276,424) | $ 4,256,735 | $ 3,137,187 |

**NOTES:**

(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.

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| $ 7,034,101 | $ 5,496,857 | $ 6,313,727 | $ 9,048,366 | $ 7,094,473 |
| 4,794,545 | 4,938,181 | 4,801,190 | 4,454,124 | 4,749,565 |
| 27,191,157 | 27,544,324 | 28,428,857 | 30,304,644 | 32,043,298 |
| 7,115,261 | 2,688,331 | 4,512,690 | 4,683,035 | 6,655,312 |
| 569,205 | 574,334 | 576,772 | 559,589 | 994,880 |
| 2,394,204 | 2,499,384 | 3,071,094 | 2,302,041 | 3,192,941 |
| 825,926 | 1,830,357 | 5,636,437 | 3,518,215 | 4,590,713 |
| 561,341 | 364,470 | 759,213 | 432,502 | 558,406 |
| $ 50,485,740 | $ 45,936,238 | $ 54,099,980 | $ 55,302,516 | $ 59,879,588 |
| | | | | |
| $ 1,787,846 | $ 2,318,583 | $ 2,060,790 | $ 2,073,456 | $ 1,783,252 |
| 1,627,286 | 1,624,499 | 1,683,399 | 1,680,909 | 2,403,684 |
| 5,225,633 | 5,654,678 | 5,757,601 | 5,817,893 | 6,354,027 |
| 427,564 | 551,090 | 580,049 | 581,784 | 1,071,279 |
| 1,762,818 | 1,437,094 | 1,566,317 | 1,755,962 | 1,693,743 |
| 37,160 | 6,917 | 43,316 | 61,735 | 543,005 |
| $ 10,868,307 | $ 11,592,861 | $ 11,691,472 | $ 11,971,739 | $ 13,848,990 |
| | | | | |
| $ (39,617,433) | $ (34,343,377) | $ (42,408,508) | $ (43,330,777) | $ (46,030,598) |
| | | | | |
| $ 24,660,616 | $ 23,979,331 | $ 25,227,897 | $ 25,102,166 | $ 25,483,255 |
| 330,240 | 333,273 | 344,805 | 340,499 | 320,121 |
| 2,609,866 | 2,481,082 | 2,349,670 | 2,297,219 | 2,438,219 |
| 13,830,494 | 9,376,475 | 6,749,243 | 9,704,870 | 10,235,164 |
| 196,240 | 198,185 | 268,726 | 300,393 | 354,537 |
| 1,861,717 | 1,964,919 | 2,104,227 | 2,239,234 | 2,420,573 |
| 116,554 | 121,465 | 98,582 | 178,892 | 184,931 |
| 528,494 | 525,761 | 754,005 | 737,194 | 767,605 |
| 148,120 | 142,586 | 112,410 | 134,822 | 112,951 |
| $ 44,282,341 | $ 39,123,077 | $ 38,009,565 | $ 41,035,289 | $ 42,317,356 |
| | | | | |
| $ 4,664,908 | $ 4,779,700 | $ (4,398,943) | $ (2,295,488) | $ (3,713,242) |

# SPALDING COUNTY, GEORGIA

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

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 (3) | 2012 | 2013 |
| General Fund | | | | | |
| Reserved | $ 391,364 | $ 193,337 | $ - | $ - | $ - |
| Unreserved | 3,736,485 | 4,310,343 | - | - | - |
| Assigned | - | - | 2,622,751 | 1,625,609 | 1,428,381 |
| Unassigned | - | - | 899,412 | 1,289,814 | 396,132 |
| Total General Fund | 7,809,393 | 6,615,101 | 4,127,849 | 4,503,680 | - |
| All Other Governmental Funds | | | | | |
| Reserved, reported in | | | | | |
| Special revenue funds | 1,017,770 | 119,813 | - | - | - |
| Debt service funds | - | - | - | - | - |
| Capital projects funds | 17,549,649 | - (1) | - | - | - |
| Unreserved, reported in | | | | | |
| Special revenue funds | 2,131,909 | 2,382,741 | - | - | - |
| Debt service funds | 2,488,738 | 5,133,237 | - | - | - |
| Capital projects funds | - | 15,937,937 (1) | - | - | - |
| Restricted | - | - | 21,353,846 | 24,058,981 | 23,348,779 |
| Assigned | - | - | 304,984 | 325,324 | 257,207 |
| Unassigned | - | - | (21,258) | (105,694) | (17,473) |
| Total All Other Governmental Funds | 21,812,813 | 26,699,146 | 23,188,066 | 23,573,728 | 21,637,572 |
| Total Governmental Funds | | | | | |
| Reserved | 18,958,783 | 313,150 | - | - | - |
| Unreserved | 8,357,132 | 27,764,258 | - | - | - |
| Restricted | - | - | 21,353,846 | 24,058,981 | 23,348,779 |
| Assigned | - | - | 2,927,735 | 1,950,933 | 1,685,588 |
| Unassigned | - | - | 878,154 | 1,184,120 | 378,659 |
| Total Governmental Funds | $ 29,622,206 | $ 33,314,247 | $ 27,315,915 | $ 28,077,408 | $ 25,159,735 |

**NOTE:**
(1) Reserved fund balance in capital projects funds was reclassified to unreserved fund balance during 2010.

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - |
| 1,524,540 | 1,734,488 | 1,734,488 | 2,065,765 | 1,985,941 |
| 1,138,875 | 1,562,527 | 2,665,611 | 3,383,165 | 3,978,741 |
| 2,915,423 | 1,824,513 | 4,400,099 | 5,448,930 | 5,964,682 |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 24,150,690 | 23,903,282 | 23,487,582 | 19,734,391 | 16,666,378 |
| 137,122 | 157,108 | 57,908 | 77,508 | 131,343 |
| - | (325) | (98,329) | (80,005) | (130,871) |
| 24,278,611 | 23,588,513 | 23,447,161 | 19,731,894 | 16,666,850 |
| | | | | |
| - | - | - | - | - |
| - | - | - | - | - |
| 24,150,690 | 23,903,282 | 23,487,582 | 19,734,391 | 16,666,378 |
| 1,661,662 | 1,891,596 | 1,791,996 | 2,143,273 | 2,117,284 |
| 1,138,875 | 1,562,202 | 2,567,282 | 3,303,160 | 3,847,870 |
| $ 27,194,034 | $ 25,413,026 | $ 27,846,860 | $ 25,180,824 | $ 22,631,532 |

# SPALDING COUNTY, GEORGIA

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

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | $ 39,081,402 | $ 41,747,867 | $ | $ 43,300,961 | $ 40,600,157 |
| Licenses and permits | 257,521 | 284,908 | | 213,767 | 192,893 |
| Intergovernmental | 2,386,769 | 2,032,718 | | 1,230,452 | 1,712,109 |
| Court fees, fines and forfeitures | 1,989,226 | 1,931,150 | | 1,693,715 | 1,640,502 |
| Charges for services | 6,161,406 | 6,464,925 | | 6,331,877 | 5,997,745 |
| Interest | 370,041 | 180,614 | | 160,259 | 151,839 |
| Contributions and donations | 35,570 | 70,532 | | 8,645 | 42,094 |
| Rentals | 264,703 | 208,565 | | 197,315 | 177,095 |
| Other | 1,451,037 | 1,401,023 | | 1,735,452 | 1,172,539 |
| Total Revenues | 51,997,675 | 54,322,302 | 54,322,302 | 54,872,443 | 51,686,973 |
| **EXPENDITURES** | | | | | |
| General government | 5,552,819 | 5,596,919 | | 5,282,991 | 4,870,294 |
| Judicial | 4,565,696 | 4,497,537 | | 4,534,222 | 4,231,806 |
| Public safety | 24,802,278 | 25,556,186 | | 27,581,114 | 26,894,567 |
| Public works | 5,182,092 | 4,025,335 | | 3,697,648 | 3,492,002 |
| Health and welfare | 900,790 | 1,084,818 | | 620,797 | 614,442 |
| Culture and recreation | 2,529,675 | 2,407,369 | | 2,761,468 | 2,417,196 |
| Housing and development | 1,228,864 | 864,002 | | 795,127 | 779,043 |
| Intergovernmental | 951,526 (2) | 1,591,440 | | 1,481,675 | 1,760,066 |
| Capital outlay | 24,171,588 | 5,990,744 | | 1,255,926 | 3,591,788 |
| Debt service | | | | | |
| Principal | 4,292,719 | 809,430 | | 3,891,216 | 4,036,121 |
| Interest | 680,715 | 1,137,029 | | 935,960 | 780,656 |
| Issuance costs | 257,993 | - | | - | - |
| Total Expenditures | 75,116,755 | 53,560,809 | 53,560,809 | 52,838,144 | 53,467,981 |
| Excess of Revenues Over (Under) Expenditures | (23,119,080) | 761,493 | 761,493 | 2,034,299 | (1,781,008) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | 1,788,199 | 1,358,499 | | 1,535,051 | 1,309,771 |
| Transfers out | (1,788,199) | (1,358,499) | | (1,535,051) | (1,309,771) |
| Issuance of general obligation bonds | 15,500,000 | - | | - | - |
| Premium on bond issue | 120,748 | - | | - | - |
| Capital leases | 1,500,000 | - | | - | - |
| Total Other Financing Sources (Uses) | 17,120,748 | - | - | - | - |
| Net Change in Fund Balances | $ (5,998,332) | $ 761,493 | $ 761,493 | $ 2,034,299 | $ (1,781,008) |
| Debt Service as a Percentage of Noncapital Expenditures | 7.90% | 3.87% | 8.63% | 9.57% | 9.89% |

**NOTES:**

(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.

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| $ 44,079,395 | $ 39,399,484 | $ 38,044,455 | $ 40,931,615 | $ 41,809,792 |
| 227,586 | 446,798 | 418,321 | 392,243 | 444,861 |
| 1,784,111 | 1,430,352 | 1,464,375 | 1,572,996 | 2,720,819 |
| 1,455,478 | 1,649,797 | 1,574,445 | 1,553,137 | 2,346,158 |
| 5,996,839 | 6,476,550 | 6,395,476 | 6,303,136 | 6,588,044 |
| 151,156 | 149,490 | 122,429 | 165,022 | 222,788 |
| 6,580 | 6,515 | 7,190 | 15,310 | 13,465 |
| 172,800 | 230,493 | 200,242 | 194,690 | 194,408 |
| 1,215,928 | 1,345,439 | 1,588,107 | 1,878,492 | 2,150,224 |
| 55,089,873 | 51,134,918 | 49,815,040 | 53,006,641 | 56,490,559 |
| 4,406,367 | 4,787,118 | 5,601,742 | 6,159,612 | 7,083,845 |
| 4,331,535 | 4,453,014 | 4,209,749 | 4,396,908 | 4,722,297 |
| 27,261,190 | 28,032,298 | 28,089,221 | 28,851,742 | 29,508,660 |
| 3,874,610 | 3,291,378 | 3,544,994 | 3,712,824 | 4,279,733 |
| 570,127 | 572,952 | 555,399 | 542,743 | 976,264 |
| 2,265,625 | 2,596,783 | 2,469,123 | 2,543,356 | 2,822,324 |
| 882,691 | 859,778 | 896,855 | 1,293,733 | 1,111,086 |
| 2,278,890 | 304,851 | 312,493 | - | - |
| 2,954,068 | 1,259,214 | 9,370,601 | 8,347,006 | 7,738,743 |
| 4,081,346 | 4,140,010 | 3,306,685 | - | 58,817 |
| 645,223 | 431,669 | 438,481 | 381,967 | 504,452 |
| - | - | 250,572 | - | - |
| 53,551,672 | 50,729,065 | 59,045,915 | 56,229,891 | 58,806,221 |
| 1,538,201 | 405,853 | (9,230,875) | (3,223,250) | (2,315,662) |
| 1,636,593 | 1,799,381 | 2,924,615 | 2,579,853 | 2,662,287 |
| (1,636,593) | (1,799,381) | (2,924,615) | (2,579,853) | (2,662,287) |
| - | - | 8,800,000 | - | - |
| - | - | 1,019,527 | - | - |
| - | - | - | 458,342 | - |
| - | - | 9,819,527 | 458,342 | - |
| $ 1,538,201 | $ 405,853 | $ 588,652 | $ (2,764,908) | $ (2,315,662) |
| 9.12% | 9.62% | 6.85% | 0.79% | 1.03% |

# 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 | Heavy Timber | Less: Tax Exempt Property | |
| 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 | 1,542,214,895 | 115,540,343 | 310,999 | - | 220,133,898 | 1,437,932,339 |
| 2013 | 1,496,524,055 | 121,069,324 | 650,043 | - | 220,097,899 | 1,398,145,523 |
| 2014 | 1,479,706,924 | 125,820,159 | 309,703 | - | 200,203,913 | 1,405,632,873 |
| 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 |
| 2017 | 1,574,189,988 | 63,144,960 | 924,412 | 92,143 | 202,224,290 | 1,436,127,213 |
| 2018 | 1,605,028,191 | 48,401,542 | 720,581 | 89,200 | 191,620,795 | 1,462,618,719 |

**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% 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 |
|---|---|---|
| 13.88 | $ 3,705,386,145 | 40% |
| 14.88 | 3,710,743,383 | 40% |
| 14.81 | 3,727,394,050 | 40% |
| 15.01 | 3,594,830,848 | 40% |
| 15.01 | 3,495,363,808 | 40% |
| 16.01 | 3,514,082,183 | 40% |
| 16.01 | 3,401,391,365 | 40% |
| 16.01 | 3,488,226,090 | 40% |
| 15.66 | 3,590,318,033 | 40% |
| 15.36 | 3,656,546,798 | 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, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Spalding County direct rates: | | | | | | | | | | |
| Unincorporated maintenance and operations | 17.66 | 18.50 | 18.18 | 18.50 | 18.73 | 19.70 | 19.62 | 19.60 | 19.32 | 18.85 |
| Sales tax reduction | (3.78) | (3.62) | (3.37) | (3.49) | (3.72) | (3.69) | (3.61) | (3.59) | (3.66) | (3.49) |
| Total direct rate | 13.88 | 14.88 | 14.81 | 15.01 | 15.01 | 16.01 | 16.01 | 16.01 | 15.66 | 15.36 |
| Municipal rates: | | | | | | | | | | |
| City of Griffin: | | | | | | | | | | |
| Maintenance and operations | 8.63 | 8.63 | 8.63 | 8.63 | 8.63 | 8.61 | 8.40 | 7.89 | 7.77 | 7.77 |
| City of Orchard Hill maintenance and operations | 4.95 | 4.95 | 4.95 | 4.95 | 5.00 | 6.31 | 6.31 | 6.31 | 6.31 | 5.94 |
| City of Sunny Side maintenance and operations | 4.36 | 4.36 | 4.29 | 4.29 | 4.08 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Fire protection (1) | 4.82 | 5.04 | 5.98 | 5.92 | 6.00 | 6.10 | 6.22 | 6.31 | 5.91 | 5.84 |
| Insurance premium rollback (1) | (1.79) | (1.81) | (1.81) | (1.75) | (1.83) | (1.93) | (2.05) | (2.14) | (2.30) | (2.23) |
| Board of Education | 18.80 | 18.80 | 18.80 | 19.06 | 19.47 | 19.47 | 19.47 | 18.74 | 18.57 | 18.20 |
| State of Georgia | 0.25 | 0.25 | 0.25 | 0.25 | 0.20 | 0.15 | 0.10 | 0.05 | - | - |
| Total Unincorporated Spalding County | 35.96 | 37.16 | 38.03 | 38.49 | 38.85 | 39.80 | 39.75 | 38.97 | 37.84 | 37.17 |
| Total Municipalities: | | | | | | | | | | |
| City of Griffin | 41.56 | 42.56 | 42.49 | 42.95 | 43.31 | 44.24 | 43.98 | 42.69 | 42.00 | 41.34 |
| City of Orchard Hill | 37.88 | 38.88 | 38.81 | 39.27 | 39.68 | 41.94 | 41.89 | 41.11 | 40.54 | 39.51 |
| City of Sunny Side | 37.29 | 38.29 | 38.15 | 38.61 | 38.76 | 40.63 | 40.58 | 39.80 | 39.23 | 38.56 |

**SOURCE:**

Spalding County Tax Commissioner's Office

**NOTE:**

(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 2018 | | |
|---|---|---|---|---|
| Taxpayer | Type of Business | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Caterpillar, Inc. | Power generation systems | $ 38,642,250 | 1 | 2.64% |
| Norcom | School paper products | 21,006,325 | 2 | 1.44% |
| Hoshizaki Americas, Inc. | Commercial refrigeration systems | 15,595,574 | 3 | 1.07% |
| Wellstar Spalding Regional Hospital | Hospital/health care | 14,515,544 | 4 | 0.99% |
| Pulte Home Company LLC | Sun City Peachtree retirement community | 12,616,576 | 5 | 0.86% |
| A E P Industries | Packaging film manufacturing | 12,223,117 | 6 | 0.84% |
| Bridgestone Bandag LLC | Retread manufacturing | 11,111,926 | 7 | 0.76% |
| Coveris Holding Corporation | Flexible packaging manufacturing | 11,086,554 | 8 | 0.76% |
| Wal-Mart Stores, Inc. | Retail | 9,212,084 | 9 | 0.63% |
| Central Georgia EMC | Public utility | 8,530,561 | 10 | 0.58% |
| North Spalding Development Company | Real estate development | - | - | - |
| NACOM Corporation | Automotive electronics | - | - | - |
| Halpern Enterprises | Commercial real estate | - | - | - |
| Total | | $ 154,540,511 | | 10.57% |

**SOURCE:**
Spalding County Tax Commissioner's Office

| Fiscal Year 2009 | | | |
|---|---|---|---|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| $ | 19,558,720 | 1 | 1.32% |
| | 13,495,358 | 3 | 0.91% |
| | 5,071,644 | 7 | 0.34% |
| | 13,545,478 | 2 | 0.91% |
| | 6,181,435 | 5 | 0.42% |
| | 5,198,775 | 6 | 0.35% |
| | - | | - |
| | - | | - |
| | 8,432,708 | 4 | 0.57% |
| | - | | - |
| | 3,532,704 | 8 | 0.24% |
| | 2,565,761 | 9 | 0.17% |
| | 2,509,712 | 10 | 0.17% |
| $ | 80,092,295 | | 5.40% |

# 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 |
| 2009 | $ 18,746,679 | $ 17,690,387 | 94.37% | $ 932,322 | $ 18,622,709 | 99.34% |
| 2010 | 20,053,526 | 18,706,433 | 93.28% | 1,258,761 | 19,965,194 | 99.56% |
| 2011 | 22,083,828 | 20,155,597 | 91.27% | 1,093,770 | 21,249,367 | 96.22% |
| 2012 | 21,583,364 | 20,165,501 | 93.43% | 1,062,368 | 21,227,869 | 98.35% |
| 2013 | 20,986,164 | 19,551,976 | 93.17% | 1,194,336 | 20,746,312 | 98.86% |
| 2014 | 22,504,182 | 21,422,273 | 95.19% | 1,028,487 | 22,450,760 | 99.76% |
| 2015 | 21,782,510 | 19,683,567 | 90.36% | 933,967 | 20,617,534 | 94.65% |
| 2016 | 22,338,600 | 20,805,491 | 93.14% | 659,018 | 21,464,509 | 96.09% |
| 2017 | 22,489,752 | 20,797,500 | 92.48% | 543,530 | 21,341,030 | 94.89% |
| 2018 | 22,465,824 | 21,133,423 | 94.07% | - | 21,133,423 | 94.07% |

**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 | Intergovernmental Payable | Capital Lease Obligations | Total Debt | Percentage of Personal Income (2) | Total Debt Per Capita (2) |
|---|---|---|---|---|---|---|---|
| 2009 | $ 15,610,958 | $ 6,910,956 | $ - | $ 4,101,201 | $ 26,623,115 | 1.55% | $ 418 |
| 2010 | 15,591,377 | 6,583,362 | - | 3,619,365 | 25,794,104 | 1.50% | 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 | 0.97% | 283 |
| 2013 | 6,532,634 | 5,474,116 | - | 2,053,926 | 14,060,676 | 0.76% | 221 |
| 2014 | 3,313,053 | 5,061,581 | - | 1,585,115 | 9,959,749 | 0.53% | 157 |
| 2015 | - | 4,620,000 | - | 1,186,684 | 5,806,684 | 0.30% | 91 |
| 2016 | 9,819,527 | 2,500,000 | - | - | 12,319,527 | 0.60% | 194 |
| 2017 | 9,661,490 | 2,500,000 | 3,300,000 | 458,342 | 15,919,832 | 0.75% | 247 |
| 2018 | 9,471,847 | 2,500,000 | 3,285,000 | 399,525 | 15,656,372 | 0.71% | 239 |

**NOTES:**

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 (2) | Total | Percentage of Estimated Actual Taxable Value of Property (3) | Bonded Debt Per Capita (4) |
|---|---|---|---|---|---|
| 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% | 150 |
| 2017 | 9,661,490 | 151,150 | 9,510,340 | 0.26% | 147 |
| 2018 | 9,471,847 | 572,520 | 8,899,327 | 0.24% | 136 |

**NOTES:**

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) This is the amount restricted for debt service principal payments.

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

(4) See the Schedule of Demographic and Economic Statistics for population data.

# SPALDING COUNTY, GEORGIA

## LEGAL DEBT MARGIN INFORMATION
## LAST TEN FISCAL YEARS

| | Fiscal Year Ended June 30, | | | |
|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 |
| Debt limit | $ 148,215,446 | $ 148,429,735 | $ 149,095,762 | $ 143,791,843 |
| Total net debt applicable to limit | 15,500,000 | 15,500,000 | 12,600,000 | 9,600,000 |
| Legal debt margin | $ 132,715,446 | $ 132,929,735 | $ 136,495,762 | $ 134,191,843 |
| Total net debt applicable to the limit as a percentage of debt limit | 10.46% | 10.44% | 8.45% | 6.68% |

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

| Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| $ 139,808,821 | $ 140,559,346 | $ 136,055,655 | $ 139,529,044 | $ 143,612,721 | $ 146,261,872 |
| 6,500,000 | 3,300,000 | - | 8,800,000 | 8,800,000 | 8,800,000 |
| $ 133,308,821 | $ 137,259,346 | $ 136,055,655 | $ 130,729,044 | $ 134,812,721 | $ 137,461,872 |
| 4.65% | 2.35% | 0.00% | 6.31% | 6.13% | 6.02% |

**Legal Debt Margin Calculation for Fiscal Year 2018**

| | |
|---|---|
| Total assessed value | $ 1,654,239,514 |
| Less exemptions | 191,620,795 |
| Total taxable assessed value | 1,462,618,719 |
| Debt limit (10% of assessed value) | 146,261,872 |
| Debt applicable to limit: | |
| General obligation bonds | 8,800,000 |
| Total net debt applicable to limit | 8,800,000 |
| Legal debt margin | $ 137,461,872 |

# 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) |
|---|---|---|---|---|---|
| 2009 | 63,651 | $ 1,722,497 | $ 27,062 | 10,823 | 16.30% |
| 2010 | 64,135 | 1,714,697 | 26,736 | 10,860 | 14.70% |
| 2011 | 64,066 | 1,750,789 | 27,328 | 10,685 | 14.40% |
| 2012 | 64,021 | 1,865,725 | 29,142 | 10,614 | 12.90% |
| 2013 | 63,680 | 1,859,395 | 29,199 | 10,582 | 12.20% |
| 2014 | 63,505 | 1,869,815 | 29,444 | 10,626 | 9.90% |
| 2015 | 63,695 | 1,949,818 | 30,612 | 10,474 | 8.10% |
| 2016 | 63,828 | 2,041,383 | 31,983 | 10,261 | 6.70% |
| 2017 | 64,553 | 2,129,814 | 32,993 | 10,305 | 6.00% |
| 2018 | 65,380 | 2,208,980 | 33,787 | 10,383 | 4.80% |

**SOURCES:**

(1) Bureau of Economic Analysis: Regional Economic Accounts

(2) Spalding County Board of Education

(3) U.S. Bureau of Labor Statistics

# SPALDING COUNTY, GEORGIA

## PRINCIPAL EMPLOYERS
## CURRENT YEAR AND NINE YEARS AGO

| | | Fiscal Year 2018 | | | Fiscal Year 2009 | | |
|---|---|---|---|---|---|---|---|
| Employer | Industry | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Griffin-Spalding County School System | Education | 1,452 | 1 | 4.52 % | 1,608 | 1 | 5.14 % |
| Caterpillar, Inc. | Automotive generators | 900 | 2 | 2.80 | 1,100 | 2 | 3.51 |
| Wellstar Spalding Regional Medical Center | Healthcare | 900 | 3 | 2.80 | 900 | 3 | 2.87 |
| Southern Crescent Technical College | Education | 640 | 4 | 1.99 | 356 | 7 | 1.14 |
| CareMaster Medical | Home Nursing | 600 | 5 | 1.87 | | | |
| Spalding County | Government | 601 | 6 | 1.87 | 512 | 4 | 1.64 |
| City of Griffin | Government | 466 | 7 | 1.45 | 470 | 5 | 1.50 |
| University of Georgia Griffin Campus | Agricultural research education | 405 | 8 | 1.26 | 300 | 8 | 0.96 |
| Norcom | School supplies | 280 | 9 | 0.87 | 280 | 9 | 0.89 |
| 1888 Mills/Southern Terry | Terry cloth towels | 278 | 10 | 0.87 | 375 | 6 | 1.20 |
| AEP Industries, Inc. | Packaging film | - | | - | 250 | 10 | 0.80 |
| | | 6,522 | | 20.30 % | 6,151 | | 19.65 % |

**SOURCE:**

Griffin-Spalding County Development Authority

# SPALDING COUNTY, GEORGIA

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

| Function | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | 49 | 48 | 48 | 48 | 47 | 43 | 44 | 46 | 45 | 47 |
| **Judicial** | 50 | 50 | 50 | 51 | 50 | 48 | 47 | 43 | 42 | 42 |
| **Public Safety** | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Officers | 148 | 156 | 154 | 155 | 155 | 155 | 157 | 157 | 144 | 176 |
| Civilians | 34 | 36 | 35 | 40 | 38 | 35 | 38 | 35 | 31 | 24 |
| Correctional Institution | | | | | | | | | | |
| Officers | 79 | 80 | 80 | 80 | 79 | 79 | 76 | 77 | 75 | 74 |
| Civilians | 7 | 7 | 6 | 7 | 6 | 6 | 6 | 7 | 6 | 10 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 68 | 80 | 80 | 82 | 81 | 81 | 82 | 81 | 74 | 81 |
| Civilians | 2 | 2 | 2 | 2 | 1 | 1 | 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 | 24 | 26 |
| 800 MHz Communications | - | 1 | 1 | 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 | 32 | 32 | 26 | 32 |
| Solid waste | 17 | 17 | 17 | 17 | 10 | 10 | 9 | 10 | 9 | 10 |
| **Health and Welfare** | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 5 | 5 | 5 |
| **Culture and Recreation** | 42 | 38 | 37 | 38 | 36 | 34 | 31 | 34 | 32 | 38 |
| **Housing and Development** | 15 | 15 | 15 | 15 | 15 | 15 | 12 | 12 | 12 | 14 |
| **Total Governmental Funds** | 586 | 605 | 600 | 611 | 594 | 583 | 576 | 580 | 540 | 594 |

**SOURCE:**
Spalding County Human Resources Department

# SPALDING COUNTY, GEORGIA

## OPERATING INDICATORS BY FUNCTION
## LAST TEN FISCAL YEARS

| Function | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Public Safety** | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Physical arrests | 3,066 | 3,154 | 2,831 | 2,477 | 1,124 | 1,019 | 1,764 | 1,376 | 5,254 | 2,978 |
| Traffic violations | 1,625 | 1,114 | 1,269 | 1,397 | 1,528 | 1,125 | 679 | 640 | 1,693 | 3,395 |
| Fire District: | | | | | | | | | | |
| Calls answered | 1,379 | 1,374 | 1,710 | 1,619 | 1,734 | 1,747 | 2,379 | 3,534 | 3,442 | 3,944 |
| Inspections | 234 | 448 | 394 | 311 | 267 | 390 | 265 | 512 | 457 | 334 |
| **Public Works** | | | | | | | | | | |
| Street resurfacing (miles) | 18 | 10 | 3 | 7 | 6 | 27 | - | 15 | 17 | 12 |

**SOURCE:**
Various County departments

**NOTE:**
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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Public Safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Detention facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol units | 42 | 43 | 45 | 45 | 53 | 40 | 48 | 50 | 49 | 49 |
| Fire District: | | | | | | | | | | |
| Fire stations | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Fire trucks | 12 | 13 | 11 | 9 | 11 | 9 | 10 | 12 | 11 | 12 |
| **Public Works** | | | | | | | | | | |
| Roads (miles) | 438 | 440 | 445 | 446 | 447 | 448 | 451 | 457 | 457 | 458 |
| **Culture and Recreation** | | | | | | | | | | |
| Parks acreage | 497 | 497 | 509 | 509 | 509 | 509 | 509 | 509 | 509 | 509 |
| Playgrounds | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 17 |
| Baseball/Softball diamonds | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Soccer fields | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Football fields | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| Recreation centers | 3 | 3 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Senior centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Nature trails | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Walking trails | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 10 |
| Disc golf courses | - | - | - | - | - | - | - | 1 | 1 | 2 |
| Skate parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pickleball courts | - | - | - | - | - | - | - | - | - | 18 |

**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 | |
|---|---|---|
| 2009 | $ 8,603,346 | (2) |
| 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 | (3) |
| 2017 | 8,653,100 | |
| 2018 | 8,732,890 | |

**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 2008 SPLOST collections began January 1, 2009 and ended December 31, 2014.
(3) 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 | |
| 2009 | $ 6,494,281 | $ 4,438,033 | $ 2,056,248 | $ 890,000 | $ 206,425 | $ 1,096,425 | 1.88 |
| 2010 | 7,971,214 | 5,385,310 | 2,585,904 | 935,000 | 821,319 | 1,756,319 | 1.47 |
| 2011 | 7,416,324 | 5,453,767 | 1,962,557 | 965,000 | 785,694 | 1,750,694 | 1.12 |
| 2012 | 7,761,376 | 5,659,962 | 2,101,414 | 990,000 | 747,800 | 1,737,800 | 1.21 |
| 2013 | 7,147,054 | 5,142,221 | 2,004,833 | 1,000,000 | 708,000 | 1,708,000 | 1.17 |
| 2014 | 8,021,289 | 5,685,488 | 2,335,801 | 1,020,000 | 667,600 | 1,687,600 | 1.38 |
| 2015 | 7,880,155 | 5,628,960 | 2,251,195 | 140,000 | 644,400 | 784,400 | 2.87 |
| 2016 | 7,762,610 | 5,755,928 | 2,006,682 | 285,000 | 410,332 | 695,332 | 2.89 |
| 2017 | 8,661,978 | 6,078,404 | 2,583,574 | 475,000 | 421,288 | 896,288 | 2.88 |
| 2018 | 8,399,530 | 6,072,230 | 2,327,300 | 605,000 | 398,438 | 1,003,438 | 2.32 |

**NOTE:**
(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 | 14,284,300 | $ 215,278 | 2.63 % |
| Bova/Trimark Northside, LLC | Apartment homes | 2 | 12,359,400 | 123,933 | 1.52 |
| Spalding County Correctional Institution | Government | 3 | 7,946,900 | 80,102 | 0.98 |
| Brightmoor Health | Nursing home | 4 | 6,770,300 | 68,329 | 0.84 |
| Caterpillar, Inc. | Power generation systems | 5 | 6,758,400 | 68,294 | 0.84 |
| AEP Industries, Inc. | Packaging film | 6 | 5,435,000 | 54,700 | 0.67 |
| Sun City HOA | Retirement Community | 7 | 4,472,800 | 45,297 | 0.55 |
| Wolf Creek Homes | Town Home Community | 8 | 4,211,900 | 42,592 | 0.52 |
| Walker Concrete | Concrete Company | 9 | 3,662,500 | 39,781 | 0.49 |
| Pulte Homes | New Home Construction Co. | 10 | 2,758,600 | 42,027 | 0.51 |
| Total | | | 68,660,100 | $ 780,333 | 9.55 % |

**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 |
| 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 |
| 2017 | 13,029 | 801,021,100 | 7.37 | 9.21 | 10.10 |
| 2018 | 13,185 | 764,139,600 | 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) |
|---|---|---|
| 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 |
| 2017 | 5,164,211 | 6.27 |
| 2018 | 4,794,798 | 6.28 |

**SOURCE:**
City of Griffin

**NOTE:**
(1) The significant rise in wholesale water rates in 2011 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

**NOTES:**
(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, 2018, 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 4, 2018. 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. The County implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. Our opinions are not modified with respected to this matter.

**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 4, 2018

# SPALDING COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2018

### SECTION I
### SUMMARY OF AUDIT RESULTS

***Financial Statements***

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

***Federal Awards***

A single audit was not performed for the fiscal year ended June 30, 2018 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, 2018

### 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, 2018

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, 2018, 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 4, 2018, 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 4, 2018

# SPALDING COUNTY, GEORGIA

## SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
## FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| State Program Name | Contract Number | Contract Period | Due From State June 30, 2017 | Revenue Received | Expenditures | Due From State June 30, 2018 |
|---|---|---|---|---|---|---|
| Community Services Block Grant | 42700-040-052119 | October 2016 - September 2017 | $ - | $ 43,081 | $ 43,081 | $ - |
| Community Services Block Grant | 42700-040-063896 | October 2017 - September 2018 | 23,880 | 92,598 | 86,059 | 17,341 |
| | | | $ 23,880 | $ 135,679 | $ 129,140 | $ 17,341 |