

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2025

NEW ISSUE – BOOK ENTRY ONLY

RATING:

Moody's: "Aa3"

(See "MISCELLANEOUS - Rating" herein)

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Series 2025 Bonds (including any original issue discount properly allocable to a holder thereof) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See "TAX MATTERS" herein.

\$24,720,000*

**SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY (GEORGIA)
Water and Sewerage Revenue Bonds, Series 2025**

Dated: Date of Issuance

Due: June 1, as shown below

The Spalding County Water and Sewerage Facilities Authority (the "Authority") is issuing its Water and Sewerage Facilities Authority Revenue Bonds, Series 2025 (the "Series 2025 Bonds") for the purpose of (a) defeasing the Authority's outstanding Revenue Bonds, Series 2015; (b) making certain improvements to the Authority's water and sewerage system (the "System"); and (c) paying the costs of issuing the Series 2025 Bonds. See "PLAN OF FINANCING" herein.

The Series 2025 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on and pledge of the Net Revenues (as defined herein) of the System. The Authority has reserved the right to issue Additional Bonds (as defined herein). If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2025 Bonds. The Series 2025 do not constitute a charge, lien, or encumbrance, legal or equitable, on any other property of the Authority. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year (each such date, an "Interest Payment Date"), commencing December 1, 2025, by U.S. Bank Trust Company, National Association, as Paying Agent and Bond Registrar. The Series 2025 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "DESCRIPTION OF THE SERIES 2025 BONDS – Terms" herein.

The Series 2025 Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC" or the "Securities Depository"). The Securities Depository will act as securities depository for the Series 2025 Bonds. Purchases will be made only through Participants (as defined herein) in the Securities Depository, and no physical delivery of the Series 2025 Bonds will be made to Beneficial Owners (as defined herein). Payment of the principal of and interest on the Series 2025 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. Registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. See "DESCRIPTION OF THE SERIES 2025 BONDS - Book -Entry System of Registration" herein.

The Series 2025 Bonds are subject to redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption" herein.

THE SERIES 2025 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF GEORGIA, SPALDING COUNTY, GEORGIA OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS. NO OWNER OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA, SPALDING COUNTY, GEORGIA OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA TO PAY THE SAME OR THE INTEREST THEREON. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2025 BONDS ARE SECURED BY AND PAYABLE SOLELY FROM A FIRST LIEN ON AND PLEDGE OF THE NET REVENUES OF THE SYSTEM.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2025 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, and subject to approval of legality by Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Beck, Owen & Murray, Griffin, Georgia. The Series 2025 Bonds are expected to be delivered through DTC in New York, New York, on or about June __, 2025.

RAYMOND JAMES®

Dated: _____, 2025

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2025 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITIES, AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

<u>Maturity (June 1)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.⁽¹⁾</u>
2026	\$360,000			
2027	370,000			
2028	390,000			
2029	410,000			
2030	430,000			
2031	450,000			
2032	475,000			
2033	500,000			
2034	520,000			
2035	545,000			
2036	575,000			
2037	600,000			
2038	635,000			
2039	665,000			
2040	700,000			
2041	730,000			
2042	770,000			
2043	805,000			
2044	840,000			
2045	880,000			

\$5,085,000* _____ % Term Bonds due June 1, 2050 Priced to Yield _____ %, CUSIP⁽¹⁾ _____
 \$7,985,000* _____ % Term Bonds due June 1, 2056, Priced to Yield _____ %, CUSIP⁽¹⁾ _____

*Preliminary, subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein have been provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2025 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the Authority or the Underwriter nor their respective agents take responsibility for the accuracy of such data.

^(c) Priced to the June 1, _____ par call date.

SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY

Authority Members

Wade Cannon, *Chairman*
Dick Morrow, *Vice Chairman*
Jeff Brandon
Clay Davis
Fannie Delaney
Wanda Howell
Cal Oxford
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Gwen Flowers-Taylor

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Macon, Georgia

FEASIBILITY CONSULTANT

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Charlotte, North Carolina

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, public documents and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement, in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2025 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AGENCY. THE SERIES 2025 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the Series 2025 Bonds, the Authority, and the terms of the offering, including the merits and risks involved. The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Preliminary Official Statement has been deemed final by the Authority for purposes of U.S. Securities and Exchange Commission Rule 15c2-12, except for permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

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\$24,720,000*
SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY (GEORGIA)
REVENUE BONDS, SERIES 2025

INTRODUCTION

General

This Official Statement, which includes the cover page and the Appendices hereto, sets forth certain information concerning the Spalding County Water and Sewerage Facilities Authority (the “Authority”) and its water and sewer system (the “System”) in connection with the issuance of \$24,720,000* in aggregate principal amount of Spalding County Water and Sewerage Facilities Authority Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). Capitalized terms used but not defined herein shall have the meanings assigned to them in Appendix C.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including Appendices.

The Authority

The Authority is a public body corporate and politic, organized and existing pursuant to an Act of the General Assembly of the State of Georgia (Ga. Laws 1982, p. 4987, *et seq.*), as amended, pursuant to which the Authority has been activated and its members have been, and are now, performing their duties in furtherance of the purposes for which the Authority was created and in accordance with the laws of the State of Georgia. The Authority commenced operations of the System in 1987. The Authority owns and operates the water system within Spalding County (the “County”). The Authority will re-commence sewer operations in a portion of the County with the implementation of the Series 2025 Project (hereafter defined). For more complete information, see “THE AUTHORITY.”

Purpose of the Series 2025 Bonds

The Authority has previously issued \$9,580,000 in original aggregate principal amount of its Revenue Bonds, Series 2015 (the “Series 2015 Bonds”), which are currently outstanding in the principal amount of \$4,405,000. The proceeds derived from the sale of the Series 2025 Bonds will be used by the Authority for the purpose of (a) defeasing the outstanding Series 2015 Bonds (the “Refunded Bonds”), (b) making certain improvements to the System and (c) paying the costs of issuing the Series 2025 Bonds. See “APPLICATION OF FUNDS.”

Security and Sources of Payment

The Series 2025 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on and pledge of the Net Revenues of the System. The Series 2025 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority.

Upon the issuance of the Series 2025 Bonds and the application of a portion of the proceeds thereof to the defeasance of the Series 2015 Bonds, the Series 2025 Bonds will be the only obligations secured by a first lien on the Net Revenues of the System. The Authority has reserved the right to issue Additional Bonds. If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2025 Bonds.

*Throughout this Preliminary Official Statement, an asterisk indicates that the information is preliminary and subject to change.

The Series 2025 Bonds will not be secured by a debt service reserve subaccount within the debt service reserve account. The Authority is permitted, but is not required, to establish a separate reserve subaccount for each such series of Additional Bonds. If created, such debt service reserve subaccount will not secure the Series 2025 Bonds.

The Authority has reserved the right to combine other utilities with the System.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS” and “SYSTEM FINANCIAL INFORMATION.”

Paying Agent and Bond Registrar, Custodian and Depositories

U.S. Bank Trust Company, National Association has been designated as paying agent (the “Paying Agent”) and bond registrar (the “Bond Registrar”) for the Series 2025 Bonds. The designated corporate trust office of the Paying Agent and Bond Registrar in Atlanta is 2 Concourse Parkway, Suite 800, Atlanta, Georgia 30328, Attention: Global Corporate Trust. U.S. Bank Trust Company, National Association has also been designated as the custodian of the Sinking Fund. Truist Bank, Griffin, Georgia, has been designated as the depository of the Revenue Fund and of the Renewal and Extension Fund.

Description of the Series 2025 Bonds

Redemption. The Series 2025 Bonds are subject to redemption prior to maturity. See “DESCRIPTION OF THE SERIES 2025 BONDS – Redemption.”

Authorized Denominations. The Series 2025 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry. The Series 2025 Bonds will be issued in book-entry form (“Book-Entry Form”) and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC” or the “Securities Depository”). The Securities Depository will act as securities depository for the Series 2025 Bonds. Purchases will be made only through the Participants (hereinafter defined) in the Securities Depository, and no physical delivery of the Series 2025 Bonds will be made to Beneficial Owners (hereinafter defined). See “DESCRIPTION OF THE SERIES 2025 BONDS – Terms” and “– Book-Entry System of Registration.”

Registration, Transfers and Exchanges. The Series 2025 Bonds will be issued in fully registered form. As long as the Series 2025 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. If the Series 2025 Bonds are no longer held in Book-Entry Form, the Series 2025 Bonds may be registered as transferred and exchanged in accordance with the terms of the Bond Resolution (hereafter defined). See “DESCRIPTION OF THE SERIES 2025 BONDS – Terms” and “– Book-Entry System of Registration.”

Payments. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year (each an “Interest Payment Date”), commencing December 1, 2025. The Series 2025 Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. As long as the Series 2025 Bonds are held in Book-Entry form, payment of the principal of and interest on the Series 2025 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. If the Series 2025 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2025 Bonds will be paid in accordance with the terms of the Resolution. See “DESCRIPTION OF THE SERIES 2025 BONDS – Terms” and “– Book-Entry System of Registration.”

For a more complete description of the Series 2025 Bonds and the basic documentation pursuant to which they were issued, see “DESCRIPTION OF THE SERIES 2025 BONDS” and Appendix C.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions hereinafter described, interest on the Series 2025 Bonds (including any original issue discount properly allocable to a holder thereof) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See “TAX MATTERS.” See also Appendix D for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2025 Bonds.

Professionals Involved in the Offering

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Beck, Owen & Murray, Griffin, Georgia.

The financial statements of the Authority, which are a part of the annual comprehensive financial report (“ACFR”) for the County for the fiscal year ended June 30, 2024, are included as Appendix A hereto and have been audited by Mauldin & Jenkins, LLC, Macon, Georgia, as indicated in their report included therein. See “MISCELLANEOUS – Independent Professionals.” **The Series 2025 Bonds are payable only from the Authority’s Net Revenues of the System, and not by any assets, revenues or other moneys of the County. The County’s ACFR is included in its entirety only because the financial statements of the Authority are not prepared separately. Investors should only consider the financial information pertaining to the Authority contained in the ACFR.**

The report entitled “Financial Feasibility Evaluation of Proposed Water and Sewerage Revenue Bonds, Series 2025” (the “Feasibility Report”), attached to this Official Statement as Appendix E, has been prepared by Raftelis Financial Consultants, Inc., Charlotte North Carolina. See “MISCELLANEOUS – Independent Professionals” herein.

Legal Authority

The Series 2025 Bonds are to be issued pursuant to the Constitution of the State of Georgia and the laws of the State of Georgia including particularly the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*), as amended, and the Act. The Series 2025 Bonds have been authorized by the Authority pursuant to resolutions adopted by the Authority on April 30, 2025, as supplemented on _____, 2025 (as supplemented, the “Bond Resolution”).

Offering and Delivery of the Series 2025 Bonds

The Series 2025 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and subject to withdrawal or modification of the offer without notice. The Series 2025 Bonds in definitive form are expected to be delivered through DTC in New York, New York, on or about June ___, 2025.

Continuing Disclosure

The Authority has covenanted for the benefit of the owners of the Series 2025 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) an annual report containing certain financial information and operating data relating to the System (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events within 10 business days of their occurrence (the “Events Notices”), to EMMA. The form of the Disclosure Certificate containing the Authority’s undertaking to provide Operating and Financial Data and Events Notices is set forth in D hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The Authority (together with the County) entered into a prior continuing disclosure undertaking (the “Prior Undertaking”) with respect to the Series 2015 Bonds, which requires the County and the Authority to provide an annual report containing Operating and Financial Data (each an “annual report”) with respect to the Series 2015 Bonds within 180 days after the end of each fiscal year. The County and the Authority timely complied with the Prior Undertakings for fiscal years 2020 through 2022 and 2024. For fiscal year 2023, the County’s audit (which would included the audited financial statements of the Authority) was delayed. The County timely posted a Notice of Failure to File (the “Notice”) on December 29, 2023 and filed its unaudited financial statements on that date. Although the Notice referenced the Series 2015 Bonds, the Notice and the unaudited financial statements were not linked to the Series 2015 Bonds on EMMA. The County and the Authority filed the annual report on July 17, 2024. Because the County will not be an obligated party with respect to the Series 2025 Bonds, no information regarding the County’s other disclosure obligations is provided.

The County and the Authority are currently in material compliance with the Prior Undertaking, the only continuing disclosure undertaking of the Authority that is currently in effect.

Other Information

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Bond Resolution, the Series 2025 Bonds or any other document are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto included in the Bond Resolution, the Series 2025 Bonds or such other document. Copies of the Bond Resolution, Disclosure Certificate and other documents and information are available, upon request and upon payment to the Authority of a charge for copying, mailing and handling, from Joseph Johnson, General Manager, Spalding County Water and Sewerage Facilities Authority, Annex Building, 119 E. Solomon Street, Griffin, Georgia, 30223; telephone: (770) 467-4777. During the period of the offering of the Series 2025 Bonds copies of the documents are available, upon request and payment to the Underwriter of a charge for copying, mailing and handling, from Todd Barnes, Raymond James & Associates, Inc., 3050 Peachtree Road NW, Suite 702, Atlanta, GA 30305; telephone: (404) 279-5724.

DESCRIPTION OF THE SERIES 2025 BONDS

Terms

The Series 2025 Bonds will be dated their date of issuance and delivery. The Series 2025 Bonds will bear interest at the rates shown on the inside cover page of this Official Statement (computed on the basis of a 360-day year comprised of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest is payable on each Interest Payment Date, commencing December 1, 2025. The Series 2025 Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Both the principal of and interest on the Series 2025 Bonds shall be payable in lawful money of the United States of America.

The Series 2025 Bonds shall initially be issued in Book-Entry Form. When in Book-Entry Form, payment of the principal of and interest on the Series 2025 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners. See “– Book-Entry System of Registration.” If the Series 2025 Bonds are no longer held in Book-Entry Form, the principal of the Series 2025 Bonds shall be payable at maturity upon presentation and surrender thereof at the designated trust office of the Paying Agent and payments of interest on the Series 2025 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on each Record Date. Such payments of interest shall be mailed by first class mail to the registered owner at the address shown on the bond registration book.

The Series 2025 Bonds will be issued in fully registered form. As long as the Series 2025 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. See “– Book-Entry System of Registration.” If the Series 2025 Bonds are no longer held in Book-Entry Form, the Series 2025 Bonds may be registered as transferred and exchanged in accordance with the terms of the Bond Resolution.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond will be issued for each maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the “Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of Series 2025 Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2025 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for each maturity of the Series 2025 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2025 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE PAYING AGENT AND BOND REGISTRAR HAS ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS WITH RESPECT TO (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) THE PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON BOOK-ENTRY BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY BONDS; (E) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BOOK-ENTRY

BONDS; OR (F) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2025 BONDS.

Redemption

Optional Redemption. The Series 2025 Bonds maturing on or after June 1, ____ are subject to optional redemption, in whole or in part at any time, in any order of maturities, on or after June 1, ____, at a redemption price of 100% of the principal amount of the Series 2025 Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2025 Bonds maturing on June 1, _____ are subject to mandatory sinking fund redemption prior to their maturity on June 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the June 1, _____ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
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The Series 2025 Bonds maturing on June 1, _____ are subject to mandatory sinking fund redemption prior to their maturity on June 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the June 1, _____ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
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At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the Authority may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2025 Bonds subject to scheduled mandatory redemption which are delivered to the Paying Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2025 Bonds which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Paying Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Series 2025 Bond so delivered or previously redeemed shall be credited by the Paying Agent, at the principal amount thereof, to the obligation of the Authority on such scheduled mandatory redemption date and the principal amount of the Series 2025 Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Partial Redemption. If the Series 2025 Bonds are called for optional redemption in part, then the particular maturity or maturities to be redeemed shall be selected by the Authority. If less than all of the Series 2025 Bonds of a maturity are to be called for redemption, then Series 2025 Bonds within each maturity so called for redemption shall be selected (a) in the manner designated by the Securities Depository when the Series 2025 Bonds are held in Book-Entry Form and (b) by lot when the Series 2025 Bonds are not held in Book-Entry Form.

Notice of Redemption. Notice of redemption will be given by the Paying Agent not less than 20 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2025 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2025 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice. Any defect in such notice will not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2025 Bonds so designated for redemption after the redemption date. Notice given in the manner described above will be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent or an escrow agent moneys sufficient to redeem all the Series 2025 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent or the escrow agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

The Series 2025 Bonds designated for redemption as described above shall be payable at the redemption price specified above and interest will cease to accrue on the principal amount of such Series 2025 Bonds from and after the date of redemption unless there is a default in the payment of such Series 2025 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

General

The Series 2025 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on and pledge of the Net Revenues of the System.

The Series 2025 Bonds shall not be deemed to constitute a debt of the State of Georgia (the “State”) or any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory limitation on indebtedness, nor a pledge of the faith and credit of the State or any political subdivision thereof, including the Authority or the County, nor shall the State or any political subdivision thereof, including the Authority or the County, be subject to any pecuniary liability thereon. The Series 2025 Bonds shall not be payable from or a charge upon any funds other than the Net Revenues of the System. No holder of any Series 2025 Bond shall ever have the right to compel the exercise of any taxing power of the State or any political subdivision thereof, including the County, to pay the same or the interest thereon nor to enforce the payment thereof against any other property of the State or any political subdivision thereof, including the Authority or the County, nor shall the Series 2025 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any other property of the State or any political subdivision thereof, including the Authority. The Authority has no taxing power.

Upon the issuance of the Series 2025 Bonds and the application of a portion of the proceeds thereof to the refunding of the Series 2015 Bonds, the Series 2025 Bonds will be the only obligations secured by a first lien on the Net Revenues of the System. The Authority has reserved the right to issue Additional Bonds (together with the Series 2025 Bonds, the “Bonds”). If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2025 Bonds. See “– Additional Bonds.”

The Authority has reserved the right to combine other utilities with the System. See “– Combined Utility Account.”

Funds and Accounts

Funds and Accounts. The following funds and accounts have been created in the Resolution: the Construction Fund, the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund. The Sinking Fund consists of two accounts: the “Debt Service Account” and the “Reserve Account.”

Flow of Funds. All revenues arising from the operation of the System will be collected by the Authority or by its agents or employees and deposited promptly into the Revenue Fund. The Authority will pay from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. The Net Revenues remaining in the Revenue Fund after the payment of such operating expenses have been pledged to the payment of the principal of and the interest on the Bonds and amounts owing to a provider of

any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth in the Bond Resolution.

After there have been paid from the Revenue Fund the sums required or permitted to be paid for operating, maintaining and repairing the System as described above, there shall be paid into the Debt Service Account, for the purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys to be deposited in the Debt Service Account to be used to pay debt service, (i) substantially equal monthly sums sufficient to pay the interest on the Bonds on the next Interest Payment Date and (ii) substantially equal monthly sums sufficient to pay the principal on the Bonds on the next June 1, such monthly payments to continue until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

After making the sums described above, there shall next be paid into said Reserve Account such amounts as may be required to maintain such account in an amount equal to the Debt Service Reserve Requirement. The Resolution does not require a Debt Service Reserve Account for the Series 2025 Bonds; accordingly, one will not be established for the Series 2025 Bonds.

After there have been paid from the Revenue Fund the sums described above and so long as a bond insurance policy is in effect, the issuer of such bond insurance policy is honoring its obligations thereunder and an insurer default has not occurred and is not continuing, there will be paid from the Revenue Fund such payments to such bond insurer as may be required to repay any amounts owed to such bond insurer that have not been paid to the bond insurer as a subrogee to the owners of the insured Bonds insured by such bond insurer.

After there have been paid from the Revenue Fund the sums described above, there will be paid from the Revenue Fund such amounts as are needed to pay any Subordinate Debt.

After there have been paid from the Revenue Fund the sums described above, all remaining amounts in the Revenue Fund, less a reasonable working capital reserve in such amount as may be deemed appropriate by the Authority, will be paid into the Renewal and Extension Fund.

See "APPENDIX C – SUMMARY OF THE BOND RESOLUTION" for more information on the funds and accounts created in the Bond Resolution.

Rate Covenant

Pursuant to the Bond Resolution, the Authority has covenanted and agreed that, as often as it shall appear necessary, the Authority shall revise the schedule of rates, tolls, fees and charges for the services, facilities and commodities furnished by the System to the extent necessary to produce funds sufficient in each fiscal year to:

- (a) operate, maintain and repair the System on a sound businesslike basis;
- (b) maintain the Debt Service Reserve Requirement in the Reserve Account;
- (c) pay amounts owing to the issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility; and
- (d) pay all other amounts owing under the Bond Resolution.

Without limiting the foregoing, the Authority shall set the schedule of rates, fees and charges for the services and facilities of the System so as to produce a Debt Service Coverage Ratio of at least 1.20x in the current Fiscal Year and a Maximum Annual Debt Service Coverage Ratio of 1.10x.

The rates, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as nearly as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No customer shall be connected to the System or served

by the Authority without a proper meter having been first installed. Subject to existing agreements and subject to State law, the Authority will undertake within its health powers or other such applicable powers now or hereafter provided by law, to require the owners of all improved property abutting any water line or sewerage line to connect with the System provided there is sufficient capacity in the System to provide adequate service. All services shall be furnished in accordance with rates, fees and charges now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the foregoing, the Authority, in the exercise of its reasonable discretion, shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

In the event the Authority fails to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges, in accordance with the provisions of the Bond Resolution, any bondholder, without regard to whether any “event of default” (as defined in the Bond Resolution) shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Authority to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges in accordance with the requirements of the Bond Resolution.

Additional Bonds

The Authority has reserved the right to issue Additional Bonds. If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2025 Bonds. See “APPENDIX C – SUMMARY OF THE BOND RESOLUTION” for a description of the terms and conditions under which Additional Bonds may be issued.

Subordinate Debt

The Authority has also reserved the right to issue Subordinate Debt. If such Subordinate Debt is issued, it will be secured by a subordinate lien on and pledge of the Net Revenues of the System. See Appendix C for a description of the terms and conditions under which Subordinate Debt may be issued.

Reserve Account

The Authority is not establishing a Reserve Subaccount within the Reserve Account in connection with the issuance of the Series 2025 Bonds. Therefore, the Series 2025 Bonds will not be secured by a Reserve Subaccount. The Authority may establish a Reserve Subaccount as security for Additional Bonds. If created, such Reserve Subaccount will not secure the Series 2025 Bonds. See “APPENDIX C – SUMMARY OF THE BOND RESOLUTION” for more information regarding the Reserve Account and any subaccounts that may be created therein.

Combined Utility

The Authority may combine other utilities with the System provided that the Authority can satisfy the test for the issuance of Additional Bonds. See “APPENDIX C – SUMMARY OF THE BOND RESOLUTION.”

Remedies and Enforceability of Remedies

Generally. The Revenue Bond Law and the Bond Resolution provide for certain remedies for the owners of the Bonds upon an event of default. See “APPENDIX C – SUMMARY OF THE BOND RESOLUTION” for a description of the remedies available to owners of the Bonds under the terms of the Resolution.

The Revenue Bond Law provides that the duties of the Authority and the members and officers of the Authority under the Revenue Bond Law and the Bond Resolution are enforceable by any owner of the Bonds by mandamus or other appropriate action or proceeding at law or in equity. The Revenue Bond Law also provides that in the event the Authority defaults in the payment of the principal or interest on any of the Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the Authority or the members, officers, agents, or employees of the Authority fail or refuse to comply

with the essential provisions of the Revenue Bond Law or default in any material respect in any agreement made with the holders of the Bonds, any holders of the Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Spalding County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with the Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of the Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law has the power to hold, use, operate, manage and control the System. The receiver does not have the power to sell, assign, mortgage or otherwise dispose of the System.

Enforceability of Remedies. The realization of value from the pledge of the Net Revenues will depend upon the exercise of various remedies specified by State law (including the Revenue Bond Law) and the Bond Resolution. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2025 Bonds may be limited by State and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or the laws of the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, city council, board of trustees, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

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PLAN OF FINANCING

Estimated Sources and Applications of Funds

The proceeds of the Series 2025 Bonds, together with other funds of the Authority, are expected to be applied as follows:

Estimated Sources of Funds:
Par Amount of Series 2025 Bonds
Plus: Original Issue Premium
Sinking Fund Accruals
American Rescue Plan Act Grant
Equity Contribution
Total Sources of Funds
Estimated Application of Funds:
Defeasance Series 2015 Bonds
Cost of Series 2025 Project
Costs of Issuance ⁽¹⁾
Total Application of Funds

⁽¹⁾ Includes the Underwriter's discount, legal, accounting and feasibility consultant fees, rating agency fees, initial fee of the Paying Agent and Bond Registrar, printing costs, validation court costs and other costs of issuance.

Series 2025 Project

A portion of the proceeds of the Series 2025 Bonds will be used to pay the costs of the Series 2025 Project and the costs of issuing the Series 2025 Bonds. The proceeds of the Series 2025 Bonds needed to pay the costs of the Series 2025 Project and the costs of issuing the Series 2025 Bonds will be deposited into the Construction Fund. The moneys on deposit in the Construction Fund will be invested in Permitted Investments pending their disbursement and will be requisitioned from the Construction Fund by the Authority as needed.

After exiting the sewer business in 2023 with the decommissioning of the wastewater treatment plant and conveyance of its remaining then-existing sewer system assets to the City of Griffin, the Authority's reentry into the sewer sector aligns with the Authority's strategic recognition that sewer infrastructure is a critical element in advancing Spalding County's long-term economic development objectives. In 2022, the Authority commissioned a sewer feasibility study to identify a targeted area that would allow for a measured and practical entry into sewer service. The study concluded that the Arthur K. Bolton Parkway employment corridor (the "AKB Overlay District") offers both a feasible entry point and strong alignment with the County's strategy to promote sustained commercial and industrial growth.

The Series 2025 Project includes the construction of a new sewer system for the AKB Overlay District in the County bordering Butts County, the components of which are the construction of a new wastewater reclamation facility with initial capacity of 200,000 gallons per day and expandable to 600,000 gallons per day, an influent pump station and 10,000 linear feet of gravity sewer trunk line. The new facility will be named the Cabin Creek Water Pollution Control Plant ("Cabin Creek WPCP") and will employ an activated sludge disposal system requiring aerated basins and secondary clarifiers. Excess solids will be stabilized using aerobic digestion and land applied or landfilled as a final means of disposal. Cabin Creek WPCP effluent will be discharged to Cabin Creek. The Authority has made application to the Georgia Environmental Protection Division ("Georgia EPD") for the required permit. The costs of the components of the Series 2025 Project are detailed below:

<u>Sewer System Construction</u>	
Influent Pump Station	\$ 3,377,310
Gravity Sewer Lines	10,123,105
Treatment Plant	<u>7,499,585</u>
<i>Total: Sewer System Costs</i>	21,000,000
<u>Other Related Costs</u>	
Land Acquisition	700,000
Program Management	800,000
Line “B” Sewer Gravity Trunk Main	<u>2,130,000</u>
<i>Total: Other Related Costs</i>	<u>3,630,000</u>
Total Series 2025 Project Costs	<u>\$24,630,000</u>

See “APPENDIX E – FEASIBILITY REPORT’ for a more detailed description of the Series 2025 Project.

The Authority bid out a design-build guaranteed purchase price contract in June 2024 following the public bidding requirements contained in State law. The winning bidder was Lakeshore Engineering, LLC (the “Design-Builder”) and the guaranteed maximum price is \$19,458,235 (the “GMP”). The GMP does not include tariffs not in effect on April 4, 2025. In the event that tariffs are enacted after such date that impact the GMP, the Authority and the Design-Builder have agreed to collaborate to manage the impact of the tariffs. It is expected that the design-build contract will be executed immediately upon the issuance of the Series 2025 Bonds. The Design-Builder and each subcontractor will be required to execute performance and payment bonds for the Series 2025 Project. No component of the Series 2025 Project is expected to add material additional revenues in the short-term, so delays in construction should not impact the Authority’s financial position.

Investment of Bond Proceeds. Presently, Section 36-82-7 of the Official Code of Georgia Annotated governs the investment of revenue bond proceeds. It provides that the proceeds of the Series 2025 Bonds may be invested and reinvested by the Authority in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;
- (2) bonds or obligations of the Authority or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (4) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence, provided however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;
- (5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;
- (6) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the

certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds, provided the portion of the certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(a) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in paragraph (3) and (4) above and repurchase agreements fully collateralized by any such obligations,

(b) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,

(c) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and

(d) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

Refunding

A portion of the proceeds of the Series 2025 Bonds will be used to defease the Refunded Bonds. The proceeds of the Series 2025 Bonds needed to refund the Refunded Bonds, together with the sinking fund accruals referred to above, will be deposited into an escrow fund (the "Escrow Fund") created pursuant to an Escrow Deposit Agreement, dated as of June 1, 2025, between the Authority and U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"). The Escrow Agent will apply such moneys to the purchase of certain United States Treasury Securities, State and Local Government Series (the "Government Obligations"). The Government Obligations, together with any required cash balance (the "Cash"), will provide sufficient money to pay the principal of and the interest on the Refunded Bonds up to and including September 1, 2025 (the "Redemption Date") and to redeem the Refunded Bonds on the Redemption Date. The owners of the Refunded Bonds will not have a lien on or be entitled to the Government Obligations or the Cash on deposit in the Escrow Fund. Upon such deposit of

Treasuries and Cash into the Escrow Fund, the Refunded Bonds will be considered to be defeased and no longer outstanding, and the owners of the Refunded Bonds will no longer have a lien on the Net Revenues of the System.

Verification

Public Finance Partners LLC (the “Verification Agent”) will deliver to the Authority, on or before the delivery date of the Series 2025 Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the principal of and interest on the Refunded Bonds up to and through the Redemption Date and to redeem the Refunded Bonds on the Redemption Date.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Authority and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the Authority and its representatives and has not evaluated or examined the assumptions or information used in the computations.

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Debt Service Schedule

The following table sets forth the annual debt service requirements on the Series 2025 Bonds (assuming the refunding of the Refunded Bonds) during each fiscal year ending June 30. The Authority has no other debt payable from the Net Revenues of the System.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			
Total			

THE AUTHORITY

General

The Authority is a public body corporate and politic and a public corporation of the State of Georgia created pursuant to the Spalding County Water and Sewerage Facilities Authority Act (1982 Ga. Laws, p. 4987, *et seq.*), as amended (the “Act”). The Authority was created for the purpose of acquiring, constructing, equipping, maintaining and operating adequate water supply, treatment and distribution facilities and sewerage collection, treatment and distribution facilities; making such facilities and the services thereof available to public and private consumers and users located in the City of Griffin (the “City”), Spalding County and their environs, including municipalities within and without the County and to adjoining counties; extending and improving such facilities; and, doing all things deemed by the Authority necessary, convenient or desirable for and incident to the efficient and prior development and operation of such undertakings.

Government Structure and Operations

The Authority consists of nine members who are appointed by resolution of the Board of Commissioners of Spalding County for staggered terms of six years each. The current members of the Authority, their position, primary occupation and the expiration of their terms of office are below.

<u>Name</u>	<u>Principal Occupation</u>	<u>Expiration of Term</u>
Wade Cannon, <i>Chairman</i>	Field Service Dept. Manager, Inframark	12/31/2025
Dick Morrow, <i>Vice Chairman</i>	Retired	12/31/2025
Clay Davis	Retired	12/31/2029
Fannie Delaney	Retired	12/31/2028
Jeff Brandon	Consultant/Sales, Rye Engineering	12/31/2029
Wanda Howell	Car Dealer	12/31/2027
Cal Oxford	Consulting Firm, Principle Owner	12/31/2029
Jim Skinner	Commissioned Sales Agent	12/31/2027
Gwen Flowers-Taylor	Retired Nurse	12/31/2025

The Board of Directors appoint a General Manager who is responsible for the daily management of the Authority. The General Manager is vested with the responsibility for oversight of day-today operations, financial management, long-range planning, executive and administrative management and supervision of personnel in accordance with the Authority bylaws and directives of the Board of Directors. Joseph Johnson currently serves as General Manager. Pursuant to an intergovernmental service agreement, effective June 3, 2024, between the Authority and the County (replacing a similar agreement in place since 2015) (the “Service Agreement”), the County provides certain administrative services to the Authority, including financial services.

Joseph Johnson, General Manager. Mr. Johnson has served as General Manager since January 2021. Prior to his position with the Authority, Mr. Johnson was a Project Manager with Paragon Consulting Group (2020), Director of Strategic Planning and Controller with Blalock Machinery and Equipment, McDonough, Georgia (2018-2020), Deputy Director of Water and Wastewater, City of Griffin, Georgia (2012-2018) and Project Manager for the Paulding County Water Department (2009-2012). Mr. Johnson received his Bachelor of Science in Civil Engineering Technology in 2006 and a Bachelor of Science in Construction Engineering in 2011 from Southern Polytechnic State University (now part of Kennesaw State University) and an MBA from The University of North Carolina – Chapel Hill (2018). He is licensed as a professional engineer in Georgia and Virginia, and is a Level II Certified Design Professional, a Georgia Class I Wastewater Treatment Plant Operator, a Georgia Class III Water Treatment Plant Operator and a Georgia EPD Qualified Water Loss Auditor.

THE SYSTEM

Introduction

The Revenue Bond Law authorizes the Authority to acquire and operate for users within and outside its territorial boundaries systems, plants, works, instrumentalities, and properties (i) used or useful in connection with obtaining a water supply and conserving, treating and disposing of water for public and private uses and (ii) used or useful in connection with collecting, treating and disposing of sewage and wastewater.

Service Area

The System supplies water to residential, commercial, and industrial customers located within the unincorporated area of the County (except where the City provides services as described in the Water Sales Agreement (hereafter defined) and limited service provided by the Henry County Water and Sewerage Authority as described below) and currently offers no sewerage services. At March 31, 2025, the System served 15,387 retail water customers. On June 29, 2023, the Authority conveyed its limited sewer system assets to the City of Griffin (referred to herein as the “City” or the “City of Griffin”), and since that date has exclusively operated a water system. The Series 2025 Project will be the Authority’s limited re-entrance into sewer service in the AKB Overlay

District. Sewer service is currently provided to certain other areas of the County by (a) the City of Griffin to its residents and an unincorporated area surrounding the City and (b) a private developer with respect to two residential developments and Henry County Water and Sewerage Authority with respect to one residential development (predominantly located in Henry County), all located in the northeast quadrant of the County.

Water System Facilities and Management

The water system consists of a 525-mile network of water lines ranging in size from 2 inches to 16 inches located throughout the unincorporated area of the County with three 500,000 gallon elevated storage tanks (Sunnyside, Rover and Heron Bay) and one 1.5M gallon elevated storage tank (Jordan Hill). Presently, the Authority purchases 100% of its potable water requirements from the City of Griffin on a wholesale basis under a Water Sales Agreement which terminates on December 31, 2045. See “THE SYSTEM – The Water Sales Agreement.” Monthly customer billing and most water line maintenance and repair are performed by the City. In 1995, all day to day operations of the Authority were assumed by the County. Pursuant to the Service Agreement, beginning in 2024, the Authority reassumed all day-to-day operations and contracts with Spalding County for limited services, including but not limited to human resources, finance, and renting of office space and utilities.. The General Manager operates under the direction of the Authority, and its officers and all other Authority personnel operate under the direction of the General Manager. The County currently employs 10 people who perform the administrative and support functions of the Authority as well as for the County. These employees consist of a business officer and staff responsible for maintaining financial and operational records and providing human resources services.

Water Sources

General. The City of Griffin’s sole source of raw water for sale to the “regional system” served by the City, including the Authority, is the Flint River. In addition to the County, the regional system supplies finished drinking water to Coweta County, Butts County, Pike County, the City of Barnesville, the City of Williamson, the City of Zebulon, the City of Concord and, in the future, Meriwether County and the City of Hampton.

Water Sources. The System receives its supply from three sources: (a) an in-stream intake on the Flint River several miles south of the headwaters at the Heads Creek Reservoir (b) an in-stream intake on the Flint River located just above the City of Molena which pumps to the 475-acre Still Branch Regional Reservoir with a capacity of 3.5 billion gallons of supply with a total volume of 4.1 billion gallons and (c) a 314-acre reservoir located on Heads Creek with a usable capacity of 540 million gallons (the “Heads Creek Reservoir”). The City is permitted to withdraw from the Flint River intake at Heads Creek Reservoir a daily maximum of 13.2 million gallons per day (“MGD”) and from the Flint River intake at Still Branch Regional Reservoir a daily maximum of 50.0 MGD. In addition, the City is permitted to withdraw from the Still Branch Regional Reservoir 48 MGD (maximum daily) and 42 MGD (monthly average). Although permitted to withdraw 63.2 MGD from the Flint River and additional amounts from the Still Branch Regional Reservoir, the total maximum treatment capacity of the City’s raw water system is currently 24.5 MGD.

Raw water is withdrawn from the Flint River at Heads Creek Reservoir with a 20 inch line directly supplying the City of Griffin and a second 20 inch raw water line coming directly to the City of Griffin from Heads Creek Reservoir. Raw water is withdrawn from the Flint River at Still Branch Regional Reservoir with a 42 inch line directly supplying the Still Branch Regional Reservoir. The second in-stream intake on the Flint River at Still Branch Regional Reservoir contributes 50.0 MGD with a monthly average of 50.0 MGD.

The two reservoirs serve as reserves when flows in the Flint River, Heads Creek and Still Branch watershed are diminished or water quality is deteriorated. The Heads Creek Reservoir and Still Branch Regional Reservoir have a combined usable storage of approximately 3.96 billion gallons. These facilities can be operated in tandem and can provide for 377 days of storage.

Emergency Water Supply. Pursuant to an Emergency Water Purchase Agreement, dated August 21, 2024 (the “Emergency Agreement”), between the Henry County Water Authority (the “Henry Authority”) and the Authority, the Henry Authority agrees to provide water to the Authority in the event of an unexpected interruption of water supply. The water is delivered at 3 metered tie-in locations, at a flow rate not to exceed 1,000 gallons per

minute, with an available flow of 4.3 MGD. The rate paid by the Authority under the Emergency Agreement is 1.50 times the prevailing rate for the Henry Authority’s municipal consumers. The Emergency Agreement automatically renews for one year periods, unless terminated by either party on 60 days’ written notice.

Water Treatment Plants. The City operates two water treatment plants. The Harry Simmons Water Treatment Plant (“WTP”) was constructed in 1929 and is supplied by the Heads Creek Reservoir and a direct line from the Flint River intake. The 20-inch line from the Flint River to the Harry Simmons Water Treatment Plant is approximately 8 miles in length and the 20-inch line from the Heads Creek Reservoir to the Harry Simmons Water Treatment Plant is approximately 5 miles in length. The Flint River is the primary source of water for the Heads Creek Reservoir (which stores 540 million gallons), supplemented by the Heads Creek drainage basin. The Harry Simmons WTP is permitted to produce 12.5 MGD, and average water production is approximately 3.0 MGD. The Still Branch Regional Reservoir and Water Treatment Plant was completed December 31, 2005. The Still Branch Reservoir is designated by Georgia EPD as a regional reservoir supplying water to Pike County, the County, East Coweta County, North Meriwether County and the cities of Zebulon, Williamson and Griffin. This facility is located in Pike County and finished drinking water is transported approximately 22 miles to the City’s existing supply network. Currently, the Still Branch WTP is permitted to produce 12.0 MGD, and average water production is approximately 7.5 MGD.

Water Sales Agreement. The City and the Authority entered into a Water Sales Agreement and Intergovernmental Agreement defining the relationship between the City and the County, effective January 1, 2021 (the “Water Sales Agreement”), which replaced the prior agreement that terminated by its terms on December 31, 2020. Under the Water Sales Agreement, the Authority agrees to purchase from the City, and the City agrees to provide, subject to written notice of substantiated additional demand given by the Authority, all of its treated water requirements for the System, except for treated water sold by the Henry Authority exclusively to serve a specified subdivision located within the Authority’s service area. The Authority pays the City a price per 1,000 gallons of water consumed, based on the City’s actual audited costs in providing the water, plus a defined markup. The markup is equal to 4.50% of depreciated water system assets divided by the volume of water sold. Rate adjustments are made on an annual basis on 30 days advance written notice from the City to the Authority. The following table shows the price paid by the Authority per 1,000 gallons of water consumed for the last five calendar years.

<u>Year</u>	<u>Price per 1,000 Gallons</u>
2021	\$6.720
2022	7.060
2023	6.727
2024	7.211
2025	6.781

The Water Sales Agreement prohibits the Authority (unless the City gives its consent) to compete with the City for the right to serve customers within certain designated City service areas in the unincorporated parts of the County. Industrial customers (minimum average daily use of 100,000 gallons) located in the unincorporated areas of the County are deemed City customers. The City is permitted to sell water at wholesale rates to jurisdictions outside of the Authority’s service area; provided, that, if such sales require the use of the Authority’s transmission lines, the City will pay the Authority a 1% transmission fee. The Water Sales Agreement provides that the City is required to maintain and operate the water system and any future additions thereto for the term of the Water Sales Agreement and to keep the water system in good operating condition. The City is not obligated, however, to upgrade the water system or to replace any water line required to be replaced because of physical age or obsolescence or where existing lines are undersized to meet present or future customer requirements. The City is responsible for reading all customer water meters of customers located on the water system on a monthly basis and preparing and sending to the water system customers statements for water consumed. On a monthly basis, the City is obligated to remit to the Authority all sums collected from the customers of the water system less deductions for sums payable to the City under the Water Sales Agreement for the water purchased.

The Water Sales Agreement expires on December 31, 2045, unless sooner terminated by the agreement of the parties thereto. Management of the Authority anticipates that either the Water Sales Agreement will be extended

through the maturity of the Series 2025 Bonds, or if such negotiations are unsuccessful, another water source will be obtained.

Summary of Water Purchases and Water Rates Paid. Set forth below is a summary of the amount of water purchased from the City of Griffin in the past five fiscal years. For the nine months ended March 31, 2024 and March 31, 2025, the Authority purchased 663.9 MG and 698.3 MG, respectively, in water from the City.

<u>Fiscal Years Ended June 30, (in MG)</u>				
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
814.5	798.0	805.2	842.2	876.3

Set forth below is a summary of the amount paid for water purchased from the City of Griffin in the last five fiscal years. For the nine months ended March 31, 2024 and March 31, 2025, the amount paid to the City of griffin for purchased water was \$4,017,521 and \$4,944,132, respectively.

<u>Summary of Water Costs</u>	
<u>Fiscal Year</u>	<u>Amount</u>
2020	\$5,541,020
2021	5,372,459
2022	5,518,807
2023	5,858,808
2024	6,029,966

Water Customers

Water Demand. Set forth below is information concerning the demand for water service from the System for the past five fiscal years and through March 31, 2025.

<u>Fiscal Year</u>	<u>Average Day Demand Yearly Average (gal)</u>	<u>Average Day Demand (gal)</u>	<u>Total Billed Consumption (gal)</u>	<u>Average Monthly Consumption (gal)</u>	<u>Max Monthly Consumption (gal)</u>	<u>Peak</u>
2020	2,198,935	2,225,345	814,476,361	67,873,030	76,616,300	1.13
2021	2,199,705	2,186,403	798,037,060	66,503,088	75,179,809	1.13
2022	2,217,975	2,205,951	805,172,025	67,097,669	77,337,427	1.15
2023	2,307,655	2,307,306	842,166,651	70,180,554	81,987,672	1.17
2024	2,418,973	2,394,143	876,256,175	73,021,348	80,444,167	1.10
2025 ⁽²⁾	2,428,666	2,548,489	698,286,099	77,587,344	94,017,830	1.21

⁽¹⁾ The Peak (Max:Avg) is the ratio of the Max Monthly Consumption divided by the Average Monthly Consumption.

⁽²⁾ Through March 31, 2025.

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As of March 31, 2025, there were 15,387 active water customers. The following table sets forth the water customers, by type, for the last five fiscal years.

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Water Customers					
Residential	13,444	13,774	14,203	14,509	14,728
Commercial	345	353	364	416	449
Industrial	13	14	14	19	22
Institutional	139	139	139	145	149
Municipal	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>
Total	13,968	14,307	14,747	15,116	15,375

Source: Authority records.

Largest Authority Customers. The following table shows the 10 largest water customers of the Authority and the revenues derived from such customers for the fiscal year ended June 30, 2024. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customers will continue to maintain their status as major water customers of the Authority.

Ten Largest Water Customers for Fiscal Year Ended June 30, 2024

<u>Customer Class</u>	<u>Customer</u>	<u>Total Billed Consumption (k-gallons)</u>	<u>Total Amount Billed (\$)</u>	<u>% of Total Water Billings</u>
Institutional	Spalding County Law Enforcement	15,460	\$172,493.52	1.67%
Residential	Trimark Northside LLC	13,561	149,534.45	1.44
Commercial	AEP Industries Inc	8,081	92,969.61	0.90
Industrial	Levine	7,185	80,854.45	0.78
Industrial	Caterpillar Inc	6,902	76,665.13	0.74
Residential	Pine Glen MHP LLC	5,954	65,803.62	0.64
Commercial	Brightmoor Health	5,750	63,489.49	0.61
Municipal	Spalding Co C I	4,879	54,713.93	0.53
Commercial	Marukan Vinegar Usa Inc	3,682	41,165.19	0.40
Commercial	Walker Concrete Company LLC	<u>3,478</u>	<u>38,868.63</u>	<u>0.38</u>
Total		<u>74,932</u>	<u>836,558.02</u>	<u>8.08%</u>

⁽¹⁾ Total water billings of the Authority for the 12 months ended June 30, 2024 were \$10,357,702. Total revenues generated from water sales of the Authority for the fiscal year ended June 30, 2024 were \$10,047,612.

Source: Authority Records.

Rates, Fees and Charges

General. The Authority charges monthly a demand charge and a fee based on metered water usage. In addition, connection fees varying by meter size are charged to new customers connecting to the System. The water rates to all customers within the System are uniform. Other than water service provided for firefighting purposes, the Authority does not provide any free water service.

Water Service Rates. In January 2025, the Feasibility Consultant prepared a water rate study for the Authority with the following financial goals in mind: generation of sufficient revenues to meet annual needs, a debt service coverage target of 1.25x for all debt, and a target of 360 days of cash on hand in reserve. The recommendations of the Feasibility Consultant, taking these goals into account, included (a) adjustments to the rate structure to provide increased water minimum charges for large meters, (b) conversion to volumetric rates based on class of customer and (c) imposition of capital recovery fees for new customers to the System and those increasing their use of the System. These recommendations were put into place effective March 1, 2025 and are set forth

below. Based on these new schedules, beginning March 1, 2025, each water system customer pays a monthly demand charge of \$13.54 (for those with meter sizes up to 1 inch). Monthly demand charges for water meters in excess of 1” range from \$27.08 (1½”) to \$1,083.16 (8”). Below are tables presenting the Authority’s current water service rates and those in place since January 1, 2019. The water service rates may be reset annually, taking into consideration the wholesale water rates charged the Authority by the City of Griffin (which are recalculated annually). See “ – The Water Sales Agreement” herein.

Water Service Rates (Since March 1, 2025) Residential Users

<u>Gallons</u>	<u>Cost Per 1,000 Gallons</u>
0–2,000	\$ 6.97
2,001–7,000	11.61
Over 7,000	11.61

The water service rate for (a) commercial customers, institutional customers and municipal customers is \$9.29 per 1,000 gallons, regardless of use, and (b) industrial users is \$7.76 per 1,000 gallons, regardless of use. Prior to March 1, 2025, all customers paid the same rates, regardless of class.

Water Service Rates (January 1, 2024 – March 1, 2025)

<u>Gallons</u>	<u>Cost Per 1,000 Gallons</u>
1,000–7,000	\$ 8.70
7,001–10,000	10.88
Over 10,000	11.92

Water Service Rates (January 1, 2019 – December 31, 2023)

<u>Gallons</u>	<u>Cost Per 1,000 Gallons</u>
1,000–7,000	\$ 7.95
7,001–10,000	9.94
Over 10,000	10.89

Water Tap Fees. The current water tap fees, effective since January 15, 2025, are set forth below.

Water Tap Fees

<u>Meter Size</u>	<u>Cost</u>
¾”	\$1,855
1”	2,200
2” or larger	1,000
Fire lines	1,000

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Water Capital Recovery Fees. Effective March 1, 2025, the water capital recovery fees are as follows:

Water Capital Recovery Fee

<u>Meter Size</u>	<u>Cost</u>
5/8"	\$ 2,300
3/4"	2,300
1"	5,750
1.25"	7,659
1.5"	11,500
2"	18,400
3"	36,800
4"	57,500
6"	115,000
8"	184,000

Water Billing. For the 12 months ending December 31, 2024, the average monthly water usage per customer was approximately 4,184 gallons for residential customers and 16,840 gallons for non-residential customers. Based on the 2024 rate schedule, this usage resulted in an average monthly water bill of approximately \$50 for residential customers and \$188 for non-residential customers.

Under the terms of the Water Sales Agreement, the City of Griffin bills all customers on behalf of the Authority and remits the collections—net of water supply costs—to the Authority on a monthly basis. Water service is subject to termination for any customer account that remains delinquent for more than 90 days.

Sewer Charges. The Authority is proposing a uniform rate structure for sewer services in which customers will be billed based on their water usage. The proposed rates include a flat monthly fee, along with an additional volumetric fee for every thousand gallons of water used. With the development of the sewer system, the Authority is expected to adopt a Sewer Capital Recovery Fee. This fee is intended to recover a percentage of the capital costs associated with developing the sewer system. Sewer charges would be expected to be implemented prior to the commissioning of the proposed wastewater treatment plant.

Rate Setting Process

Under Georgia law, the Authority has the power to establish rates and charges for water and sewer service supplied by the System. The rates charged by the Authority for water and sewer service supplied by the System are not subject to review or approval by any federal or state regulatory body. The board members of the Authority establish the rates, which are subject to change at any time as the board members of the Authority deem advisable. The board members of the Authority adopt rate schedules by resolution after recommendations from the staff of the System. The staff of the Authority makes periodic reviews of the rate structure to determine if modifications are needed. No statutory procedures are required as a condition precedent to a change in rates.

Due to the serious drought conditions experienced State-wide, including within the County, during 2008 the Authority adopted conservation water rates, effective in January 2008, providing for a three-tiered rate schedule based on increased usage. This tiered rate structure remains in effect. See “ – Rates, Fees and Charges” for the conservation water rates currently in effect.

Governmental Approvals and Environmental Regulation

Georgia EPD regulates public water systems in Georgia. Georgia EPD has issued an operating permit for the water system, which expires on October 22, 2034. The Authority’s wastewater operations will be subject to the regulatory requirements imposed by the federal Water Pollution Control Act, as amended (the “Clean Water Act”) and the Georgia Water Quality Control Act. The regulatory requirements are administered by the federal Environmental Protection Agency (“EPA”) and Georgia EPD. With respect to the Cabin Creek WPCP (comprising a significant portion of the Series 2025 Project), the Authority has submitted its permit application to Georgia EPD

for an operating permit for the treatment of wastewater and has addressed EPD comments with respect to the permit application.

Under the Clean Water Act, a National Pollutant Discharge Elimination System (“NPDES”) permit is generally required for discharges to surface water. Therefore, to comply with federally mandated effluent quality and disposal criteria, the Authority must operate its wastewater treatment plant according to discharge limitations and reporting requirements set forth in the NPDES permit. Cabin Creek WPCP is in the process of obtaining a NPDES permit allowing discharges to Cabin Creek, a tributary of the Ocmulgee River.

The Authority is currently in compliance with all of its environmental permits and all environmental requirements applicable to the System.

SYSTEM FINANCIAL INFORMATION

Five Year Operating History

Set forth below is a historical, comparative summary of the revenues, expenditures, and changes in net position of the Authority for the past five fiscal years. The Authority is a component unit of the County and does not obtain separate audited financial statements. Information for fiscal years 2020 through 2024 in the following tables are included in the annual audited financial statements of the County and has been extracted from the audited financial statements of the County for the fiscal years ended June 30, 2020 through June 30, 2024. Although such information has been taken from the County’s audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the System for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the County for the year ended June 30, 2024, which are included in this Official Statement as Appendix A and for the years ended June 30, 2020 to 2023, copies of which are available from the Authority upon request.

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Five Year Operating History

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
OPERATING REVENUES					
Charges for services ⁽¹⁾	<u>\$9,244,400</u>	<u>\$9,382,775</u>	<u>\$10,565,422</u>	<u>\$9,784,488</u>	<u>\$10,690,361</u>
Total operating revenues	<u>9,244,400</u>	<u>9,382,775</u>	<u>10,565,422</u>	<u>9,784,488</u>	<u>10,690,361</u>
OPERATING EXPENSES					
Personal services and employee benefits	323,139	356,150	394,821	474,309	690,600
Contracted services	6,311,240	6,261,957	6,092,861	6,248,166	6,571,936
Materials and supplies	133,567	228,140	251,498	215,041	385,411
Other operating expenses	177,198	61,745	71,524	791,620	469,672
Depreciation	<u>745,832</u>	<u>755,977</u>	<u>761,563</u>	<u>795,566</u>	<u>797,226</u>
Total operating expenses	<u>7,690,976</u>	<u>7,663,969</u>	<u>7,572,267</u>	<u>8,524,702</u>	<u>8,914,845</u>
Operating income	<u>1,553,424</u>	<u>1,718,806</u>	<u>2,993,155</u>	<u>1,259,786</u>	<u>1,775,516</u>
NON-OPERATING INCOME (EXPENSES)					
Interest income	30,403	686	638	74,129	320,361
Interest expense	(283,904)	(208,411)	(188,993)	(169,430)	(268,506)
Transfers	84,706	665,914	23,600	—	—
Loss on disposal of assets	—	—	—	(1,086,450)	—
Total non-operating income (expenses), net	<u>(168,795)</u>	<u>458,189</u>	<u>(164,755)</u>	<u>(1,181,751)</u>	<u>51,855</u>
Income before contributions	1,384,629	2,176,995	2,828,400	78,035	1,827,371
CAPITAL CONTRIBUTIONS ⁽²⁾	—	—	—	<u>533,299</u>	<u>198,951</u>
Change in net position	1,384,629	2,176,995	2,828,400	611,334	2,026,322
NET POSITION, beginning of year	<u>27,141,688</u>	<u>28,526,317</u>	<u>30,703,312</u>	<u>33,531,712</u>	<u>34,143,046</u>
NET POSITION, end of year	<u>\$28,526,317</u>	<u>\$30,703,312</u>	<u>\$33,531,712</u>	<u>\$34,143,046</u>	<u>\$36,169,368</u>

⁽¹⁾ Includes water and sewer revenues through fiscal year 2023. In fiscal year 2022, the City remitted approximately \$1.1 million to the Authority resulting from a customer account reconciliation process, primarily contributing to the increase in revenues over fiscal year 2021. On June 29, 2023, the Authority conveyed its then-existing wastewater system to the City of Griffin. For the fiscal year ended June 30, 2024, Operating Revenues include only water revenues.

⁽²⁾ Represents Community Development Block Grants received by the County in fiscal years 2023 and 2024 for the benefit of the Authority.

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Interim Financial Statements

Set forth below is a summary of the revenues, expenditures, and changes in the fund balance of the Authority for the nine-month periods ended March 31, 2024 and March 31, 2025. The information in the following table has not been audited and was prepared by the County on a cash basis. Therefore, such information should not be compared with the financial information in the table above. The financial results for the nine-month period ended March 31, 2025 are not necessarily indicative of the actual financial results for the fiscal year ending June 30, 2025. Management expects that the fiscal year 2025 operating results will be in line with the fiscal year 2025 budget.

	March 31, (unaudited)	
	2024	2025
OPERATING REVENUES		
Charges for services	\$7,320,978	\$8,267,823
Investment income	125,554	418,395
Miscellaneous revenue	<u>2,000</u>	<u>78,600</u>
Total operating revenues	7,448,532	8,764,818
OPERATING EXPENSES		
Personal services, including employee benefits	502,790	699,308
Contracted services	4,492,851	5,309,755
Supplies	280,865	159,321
Capital outlay	2,281,020	1,421,368
Interfund/Interdept charges	6,725	—
Other costs	39,650	59,338
Debt service	<u>902,747</u>	<u>901,194</u>
Total operating expenses	<u>8,506,647</u>	<u>8,550,284</u>
Deficiency/Excess of Revenue	(1,058,115)	214,534
OTHER FINANCING SOURCES		
	<u>461,186</u>	<u>—</u>
Deficiency/Excess of Revenue	(596,929)	214,534

Summary of Assets and Liabilities

Set forth below is a historical, comparative summary of the assets, liabilities and net assets of the Authority for the past five fiscal years. The Authority is a component unit of the County and does not obtain separate audited financial statements. Information for fiscal years 2020 through 2024 in the following tables are included in the annual audited financial statements of the County and has been extracted from the audited financial statements of the County for the fiscal years ended June 30, 2020 through June 30, 2024. Although such information has been taken from the County’s audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the System for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the County for the year ended June 30, 2024, which are included in this Official Statement as Appendix A and for the years ended June 30, 2020 to 2023, copies of which are available from the Authority upon request.

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Summary of Assets, Liabilities and Net Assets

	Fiscal Year Ended June 30,				
<u>ASSETS</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
CURRENT ASSETS					
Cash and cash equivalents	\$14,384,314	\$15,356,223	\$14,640,870	\$16,083,111	\$15,843,536
Accounts receivable	1,172,073	1,227,796	2,372,435	1,310,186	1,569,741
Due from primary government	3,830	3,540	3,660	264,275	2,040
Restricted assets, cash and cash equivalents	<u>1,017,730</u>	<u>1,029,805</u>	<u>1,050,184</u>	<u>1,091,075</u>	<u>1,141,386</u>
Total current assets	<u>16,577,947</u>	<u>17,617,364</u>	<u>18,067,149</u>	<u>18,748,647</u>	<u>18,556,703</u>
NON-CURRENT ASSETS					
Capital assets					
Capital assets, non-depreciable	13,500	890,851	1,236,655	1,137,074	57,513
Capital assets, depreciable, net of accumulated depreciation	<u>21,646,470</u>	<u>20,948,839</u>	<u>21,988,523</u>	<u>21,192,957</u>	<u>23,297,667</u>
Total capital assets	<u>21,659,970</u>	<u>21,839,690</u>	<u>23,225,178</u>	<u>22,330,031</u>	<u>23,355,180</u>
Total non-current assets	<u>21,659,970</u>	<u>21,839,690</u>	<u>23,225,178</u>	<u>22,330,031</u>	<u>23,355,180</u>
Total assets	<u>38,237,917</u>	<u>39,457,054</u>	<u>41,292,327</u>	<u>41,078,678</u>	<u>41,911,883</u>
<u>LIABILITIES</u>					
CURRENT LIABILITIES					
Accounts payable	33,606	46,705	50,320	240,685	24,990
Due to primary government	—	—	—	—	44,013
Accrued liabilities	705	1,438	3,082	374	9,918
Current portion of compensated absences payable	11,955	13,109	8,833	12,495	21,748
Current portion of bonds payable from restricted assets	880,000	905,000	940,000	975,000	1,005,000
Accrued interest	<u>103,908</u>	<u>95,108</u>	<u>86,058</u>	<u>76,658</u>	<u>66,096</u>
Total current liabilities	<u>1,030,174</u>	<u>1,061,360</u>	<u>1,088,293</u>	<u>1,305,212</u>	<u>1,171,765</u>
NON-CURRENT LIABILITIES					
Compensated absences payable, net of current portion	7,970	8,740	5,888	8,330	14,498
Bonds payable, net of current portion	<u>8,673,456</u>	<u>7,683,642</u>	<u>6,666,434</u>	<u>5,622,090</u>	<u>4,556,252</u>
Total non-current liabilities	<u>8,681,426</u>	<u>7,692,382</u>	<u>6,672,322</u>	<u>5,630,420</u>	<u>4,570,750</u>
Total liabilities	<u>9,711,600</u>	<u>8,753,742</u>	<u>7,760,615</u>	<u>6,935,632</u>	<u>5,742,515</u>
<u>NET POSITION</u>					
Net investment in capital assets	12,106,514	13,251,048	15,618,744	15,705,965	17,793,928
Unrestricted	<u>16,419,803</u>	<u>17,452,264</u>	<u>17,912,968</u>	<u>18,437,081</u>	<u>18,375,440</u>
Total net position	<u>\$28,526,317</u>	<u>\$30,703,312</u>	<u>\$33,531,712</u>	<u>\$34,143,046</u>	<u>\$36,169,368</u>

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Set forth below is a summary of the assets and liabilities of the Authority at March 31, 2025. The information in the following table has not been audited and was prepared by the County on a cash basis. Therefore, such information should not be compared with the financial information in the table above. The financial results for the nine-month period ended March 31, 2025 are not necessarily indicative of the actual financial results for the fiscal year ending June 30, 2025.

Balance Sheet	
<u>Unaudited</u>	
	At
	<u>March 31, 2025</u>
ASSETS	
Cash and cash equivalents	\$17,850,246
Restricted assets	1,091,075
Accounts receivable	1,251,473
Due from primary government	2,041
Capital assets, non-depreciable	13,500
Capital assets, depreciable, net of accumulated depreciation	<u>23,341,680</u>
Total assets	<u>\$43,550,015</u>
LIABILITIES AND NET POSITION	
Liabilities	
Accounts payable	\$ 9,918
Due to primary government	1,731,129
Accrued interest	66,096
Compensated absences	20,825
Bonds payable, including current portion	<u>6,536,252</u>
Total liabilities	8,364,220
Net Position	
Net investment in capital assets	27,840,607
Unrestricted	<u>7,345,188</u>
Total net position	<u>35,185,794</u>
Total liabilities and net position	<u>\$43,550,015</u>

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Historical and Forecasted Debt Service Coverage

Historical Debt Service Coverage. The following table sets forth the historical long-term debt service coverage of the Authority for the last five fiscal years. See “APPLICATION OF FUNDS – Debt Service Schedule.” Such information should be considered in conjunction with the information concerning the Authority contained elsewhere in this Official Statement, including but not limited to the selected historical financial data of the Authority.

	<u>Historical Debt Service Coverage</u>				
	Fiscal Year Ended June 30,				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues (including interest income)	\$9,274,803	\$9,383,461	\$10,566,060	\$9,858,617	\$11,010,722
Less: Expenses (excluding interest expense, depreciation and amortization)	<u>6,945,144</u>	<u>6,907,992</u>	<u>6,810,704</u>	<u>7,729,136</u>	<u>8,117,619</u>
Net Revenues Available for Debt Service	2,329,659	2,475,469	3,755,356	2,129,481	2,893,103
Actual Debt Service on Series 2015 Bonds ⁽¹⁾	1,141,694	1,178,525	1,176,750	1,184,075	1,189,131
Debt Service Coverage Ratio	2.04	2.10	3.19	1.80	2.43

⁽¹⁾ Includes the Authority’s Revenue Bonds, Series 2015. Upon the issuance of the Series 2025 Bonds, the Series 2025 Bonds will be the only obligations secured by a pledge of and lien on the Net Revenues of the System, and no other obligations will be outstanding which the Authority intends to pay from Net Revenues. See “APPLICATION OF FUNDS – Debt Service Schedule.”

Historical Pro Forma Debt Service Coverage. The following table sets forth the historical pro forma long-term debt service coverage of the Authority for the last five fiscal years ended June 30, based on estimated maximum annual debt service on the Series 2025 Bonds. Such information should be considered in conjunction with the information concerning the System contained elsewhere in this Official Statement, including but not limited to the selected historical financial data of the System and the financial statements of the Authority included in Appendix A.

	Fiscal Year Ended June 30,				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Revenues Available for Debt Service	\$2,329,659	\$2,475,469	\$3,755,356	\$2,129,481	\$2,893,103
Maximum Annual Debt Service on the Series 2025 Bonds*	1,589,500	1,589,500	1,589,500	1,589,500	1,589,500
Pro Forma Debt Service Coverage Ratio	1.47	1.56	2.36	1.34	1.82

*Preliminary; subject to change.

Proforma Forecasted Debt Service Coverage. The Authority has prepared a financial forecast of the System’s net revenues available for debt service, for a period of six years commencing with fiscal year 2025, based upon assumptions and estimates concerning future events and circumstances which the Authority believes to be reasonable. The Authority’s financial forecast has been examined and reported on by Raftelis Financial Consultants, Inc., Charlotte, North Carolina, the Authority’s feasibility consultant. The forecasted Debt Service Coverage Ratios set forth below are derived from the financial forecast included as part of Appendix E to this Official Statement, the Feasibility Report prepared by Raftelis Financial Consultants, Inc.

THE FINANCIAL FORECAST IS BASED SOLELY UPON ASSUMPTIONS MADE BY THE AUTHORITY, INCLUDING, WITHOUT LIMITATION, ASSUMPTIONS AS TO RATES FOR WATER AND SEWER SERVICE, STABILITY AND GROWTH OF THE CUSTOMER BASE, AND OPERATING EXPENSES. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH SUCH ASSUMPTIONS, THAT UNCONTROLLABLE FACTORS WILL NOT AFFECT SUCH ASSUMPTIONS, OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED. THE ACHIEVEMENT OF THE FINANCIAL FORECAST WILL BE AFFECTED BY ECONOMIC CONDITIONS AND OTHER UNCONTROLLABLE FACTORS AND IS DEPENDENT UPON THE OCCURRENCE OF FUTURE EVENTS WHICH CANNOT BE ASSURED. THUS, THE ACTUAL RESULTS ACHIEVED MAY VARY FROM THOSE FORECAST, AND SUCH VARIATIONS COULD HAVE AN ADVERSE EFFECT UPON THE SYSTEM'S NET REVENUES AVAILABLE FOR DEBT SERVICE. THE ASSUMPTIONS AND RATIONALE INCLUDED IN THE FEASIBILITY REPORT ARE AN INTEGRAL PART OF THE FORECAST. THE FEASIBILITY REPORT, INCLUDING ALL COMMENTS, ASSUMPTIONS, NOTES, AND DISCLAIMERS, SHOULD BE READ IN ITS ENTIRETY. See "FEASIBILITY REPORT" in Appendix E to this Official Statement.

Proforma Forecasted Debt Service Coverage

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Operating Revenues (including interest income)	11,045,950	11,780,432	12,274,044	13,607,118	13,613,018
Operating Expenses (excluding interest expense, depreciation and amortization)	<u>8,955,781</u>	<u>8,614,485</u>	<u>9,533,848</u>	<u>9,928,455</u>	<u>10,260,817</u>
Net Revenues Available for Debt Service	2,090,169	3,165,947	2,740,196	3,678,652	3,352,201
Debt Service ⁽¹⁾	1,185,956	1,539,063*	1,589,500*	1,586,000*	1,586,750*
Forecasted Debt Service Coverage Ratio	1.76	2.06	1.72	2.32	2.11

⁽¹⁾ In fiscal year 2025, includes the Series 2015 Bonds. In fiscal years 2026 through 2029, includes the Series 2025 Bonds.
*Preliminary and subject to change.

Capital Improvement Needs and Additional Debt

The Authority's most recent water capital improvement plan (the "Water CIP") was developed in 2024, and was approved by the Board of the Authority in February 2025 as part of the water rate study prepared by the Feasibility Consultant. The Water CIP includes water line improvements in fiscal years 2026 through 2029 at a total cost of approximately \$23.7 million, with repayment of the funding of such improvements commencing in fiscal year 2030. Subsequent to the approval of the Water CIP, the Board determined to move forward with the Series 2025 Project, reprioritizing the use of financial resources. Although the Water CIP has not been formally amended by the Board, Authority management reasonably expects that the Water CIP will be deferred by at least three years, which deferral is not expected to have an adverse effect on the operations or financial condition of the Authority or customer service. It is expected that the Water CIP, when implemented, will be funded with revenues from Authority operations generated in part by the newly imposed water capital recovery fee and financing through the issuance of revenue bonds or loans from the Georgia Environmental Finance Authority. The sewer capital improvement plan, which is comprised of the Series 2025 Project, and the related funding sources, are set forth under "PLAN OF FINANCING – Series 2025 Project" herein.

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Operating Budget

The Authority approves an annual operating budget, which is approved by the County as part of the County's overall budget. Set forth below is the budget for the fiscal year ending June 30, 2026, which has been submitted to the County as part of the County's budget approval process. The budget is a non-generally accepted accounting principles budget (non-GAAP budget), and includes the provision for payment of bond principal as part of expenses.

REVENUES:	
Water revenue	\$10,529,258
Tap fees	324,830
Interest income	<u>159,188</u>
Total Revenues	<u>\$11,013,276</u>
EXPENSES:	
Personal services ⁽¹⁾⁽²⁾	\$ 1,098,710
Purchased/contracted services	7,510,681
Supplies	401,050
Capital outlay ⁽²⁾	148,000
Interfund/Interdept Charges	59,767
Depreciation/Amortization	194,465
Other costs	2,000
Debt service	<u>1,527,785</u>
Total Expenses	<u>\$10,942,458</u>
REVENUES OVER	
EXPENSES	<u>\$ 70,818</u>

(1) In fiscal year 2026, personal services expense will increase approximately \$250,000 over fiscal year 2025 in connection with the addition of five new employees to provide services previously provided by County inmates.

(2) The County has agreed to fund a GIS analyst in the amount of \$76,415. The County funding is not included in revenues, but the expense is included in Personal Expenses.

Management's Discussion of Financial Results

System Revenues. Between fiscal year 2020 and fiscal year 2024, total operating revenues for the System increased from \$9,244,400 to \$10,690,361—an overall growth of 15.6%, generally attributable to growth in customers and water rates. The increase in revenues during fiscal year 2022 is primarily attributable to a one-time \$1.1 million reconciliation payment received in fiscal year 2022 from the City of Griffin for billing errors dating back to 2011. See “THE SYSTEM – Rates, Fees and Charges” herein.

Operating Expenses. Total operating expenses increased over the five-year period ended June 30, 2024, from \$7,974,881 in fiscal year 2020 to \$10,142,930 in fiscal year 2024—an overall increase of 27.2%. Notable changes in operating expenses over the five-year span stem from the decommissioning of the Springs Wastewater treatment plant and starting a GIS department.

Additionally, during this period, the cost of purchased water rose by \$0.47 per 1,000 gallons, representing a 7% increase over the five-year span.

Employees, Employee Relations, Employee Benefits and Labor Organizations

The Authority employs 10 persons as of March 31, 2025. There are 10 full-time employees and contracts with the Spalding County Corrections Institution for 6 inmates. As of March 31, 2025, the Authority pays \$21,075 per inmate per year. No employees of the Authority are represented by labor organizations or are covered by

collective bargaining agreements. The Authority is not aware of any union organizing efforts at the present time. The Authority believes that employee relations are very good.

Through the County, Authority employees are provided with group medical, life, and dental insurance options. Additional supplemental insurance options are available through outside vendors. The Authority provides its full-time and part-time employees with paid holidays, annual leave, and jury duty leave. Full-time employees also receive sick leave.

Post-Employment Benefits

General. The Authority's employees participate in the County's employee benefit plans, and the Authority reimburses the County for the County's cost of covering the Authority's employees under such plans. The Authority has no accrued pension liability or other liability under the following plans, and funds required contributions on an annual basis. For fiscal year 2026 it is expected that 11 Authority employees will participate in the defined benefit plan at a budgeted cost to the Authority of approximately \$107,000. No Authority employees currently participate or will participate in fiscal year 2026 in the OPEB Plan (defined below). Below is a description of those plans.

Defined Benefit Plan. The Defined Benefit Plan is a mandatory contributory plan and includes a **MANDATORY** contribution of 2% for regular employees, including Authority employees.

The Defined Benefit 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 Defined Benefit Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Defined Benefit Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Defined Benefit Plan. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan. 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.

The Defined Benefit 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 Defined Benefit Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Defined Benefit Plan. 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. The funding policy for the Defined Benefit Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate.

OPEB Plan. The Authority employees participate in post-employment health care benefits through the County's other post-employment benefit plan (the "OPEB Plan"). Employees who retire with 15 years of continuous service or more and have attained the age of 55 are eligible to participate in the OPEB Plan. The benefits are provided until the retiree turns 65 and is eligible for Medicare and/or the employee becomes covered under the plan of another employer. The Authority pays one-half of the "employee only" premiums for health and dental coverage; retirees pay the full cost of dependent coverage.

The OPEB Plan is funded on a pay-as-you-go basis by contributing an amount equal to the benefit and administrative costs paid on behalf of retirees.

Insurance Coverage and Governmental Immunity

Under Georgia law, the defense of sovereign immunity is available to the Authority, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance

protection has been provided, but only to the extent of the liability insurance provided. The Authority, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the Authority in the exercise of its delegated powers. Notwithstanding the availability of sovereign immunity, the Authority (through the County) carries the insurance described below.

The Authority is insured under insurance policies obtained by the County. The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims against the Authority arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. As to the Authority, property coverage insures the above-ground assets of the System. Additionally, on behalf of the Authority, the County purchases health 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.

GENERAL COUNTY INFORMATION

General

The County is a political subdivision created and existing under the laws of the State of Georgia. The County is located 40 miles south of the City of Atlanta, Georgia. There are three municipalities within the County: Griffin, the County seat, Orchard Hill, and Sunnyside. The County has a land area of approximately 198 square miles. The County’s estimated population is 70,292.

County Government

The County is governed by, and generally acts through, a five member Board of Commissioners, who work part-time and are elected by districts to serve staggered four-year terms.

Information concerning the current Board of Commissioners is set forth below:

Spalding County Board of Commissioners

<u>Name</u>	<u>Principal Occupation</u>	<u>Date Term of Office Expires</u>
Clay Davis III, <i>Chair</i>	Retired Military	December 31, 2026
Gwen Flowers-Taylor	Registered Nurse	December 31, 2028
James R. Dutton	Attorney	December 31, 2026
Reginald Watts	Business Owner	December 31, 2028
Ryan Bowlden, <i>Vice Chair</i>	Law Enforcement	December 31, 2028

The Board of Commissioners appoints a full-time County Manager to run the day-to-day operations of the County. The County Manager implements the Board of Commissioner’s policies, administers county government, appoints department directors, and supervises County employees. The current County Manager is Steve Ledbetter, PhD., who serves at the pleasure of the Commission. Dr. Ledbetter became the County Manager on July 1, 2021. Prior to becoming the County Manager, Dr. Ledbetter was the Mayor and Chief Executive officer for the City of Woodbury and was the chief operations officer for Korban Partners LLC. Dr. Ledbetter has a master’s degree from Columbus State University and a doctorate from Regent University

Erica Dye serves as the Deputy County Manager of Spalding County. As Deputy County Manager, Erica is instrumental in guiding Spalding County’s financial and operational initiatives, ensuring the responsible allocation of resources while fostering economic development. Prior to coming to Spalding County, she served in roles of increasing financial management responsibility with the Georgia Lottery Corporation. Ms. Dye brings over 20 years

of distinguished experience in finance and public administration. With a master’s degree in accounting, she has built a career defined by her expertise in financial management, strategic planning, and operational excellence. Erica’s extensive background includes overseeing budgets, streamlining fiscal operations, and implementing innovative financial strategies to enhance efficiency and accountability. Ms. Dye and her staff, pursuant to the Services Agreement, provides financial services to the Authority.

Demographic Information

Population. Set forth below is the population of the County for the census years 1990 through 2020 and an estimate as of July 1, 2024 (the most recent information available).

<u>Year</u>	<u>Population</u>
1990	54,457
2000	58,417
2010	64,073
2020	67,306
2024	70,292

Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020 U.S. Census, and U.S. Census Bureau, QuickFacts, July 1, 2024.

Population By Age. The estimated median age of the County for the calendar year 2023 (the most recent information available) was 39.5 years. The following table presents the estimated population by age for the County for the calendar year 2023 (the most recent information available).

<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
26.5%	31.2%	23.1%	19.3%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2023.

Population by Race. The following table presents estimated population by race for the County for the calendar year 2023 (the most recent information available).

<u>White⁽¹⁾</u>	<u>Black or African American⁽¹⁾</u>	<u>Asian⁽¹⁾</u>	<u>Native Hawaiian and Other Pacific Islander</u>	<u>Other⁽¹⁾</u>	<u>Two or More Races</u>	<u>Hispanic or Latino⁽²⁾</u>
52.8%	37.6%	0.3%	0.3%	3.4%	5.7%	6.5%

⁽¹⁾ Includes persons reporting only one race and therefore does not account for 100% of the population.

⁽²⁾ The U.S. Census Bureau adheres to the U.S. Office of Management and Budget’s (OMB) definition of ethnicity. OMB considers race and Hispanic origin to be two separate and distinct concepts. Under OMB’s reporting system, Hispanics and Latinos may be of any race and are therefore accounted for in the previous headings.

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2023.

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Level of Education. The following table presents the estimated level of education of the population 25 years and over for the County for the calendar year 2023 (the most recent information available).

Less than 9 th grade	2.4%
9 th to 12 grade, no diploma	7.4
High school graduate (including equivalency)	42.4
Some college, no degree	20.0
Associate degree	9.6
Bachelor's degree	12.8
Graduate or Professional degree	<u>5.4</u>
	<u>100.0%</u>
Percent high school graduate or higher	90.2%
Percent bachelor's degree or higher	18.2

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2023.

Commuting Characteristics. The following table presents the estimated percentages of the County's population 16 years and over employed at jobs located within the County and those employed at jobs located outside of the County or State for the calendar year 2023 (the most recent information available).

Residents of the County Employed:	28,782
Inside the County	52.8%
Outside the County	46.2
Outside the State	1.0

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2023.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the County.

Per Capita Personal Income. The following table reflects estimates of the per capita personal income (in thousands of dollars, not adjusted for inflation) for the County, the State of Georgia and the United States for the calendar years 2019 through 2023 (the most recent information available for the County).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2019	\$35,716	\$48,529	\$55,567
2020	38,499	51,463	59,123
2021	43,034	56,088	64,460
2022	42,870	57,290	66,244
2023	44,742	59,882	69,810

Source: United States Department of Commerce, Bureau of Economic Analysis.

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Poverty Levels. The following table reflects an estimate of the percentage of all people in the County and the State with incomes lower than the poverty level for calendar year 2023 (the most recent information available).

<u>County</u>	<u>State</u>	<u>United States</u>
13.9%	13.6%	12.5%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2023.

Household Income Distribution. The following table reflects the estimated income distribution of all households in the County for the calendar year 2023 (the most recent information available). The median household income for the calendar year 2023 was estimated to be \$56,169 and the mean income for the calendar year 2023 was estimated to be \$74,219.

<u>Income</u>	<u>Percent of Population</u>
Less than \$10,000	6.0%
\$10,000 to \$14,999	5.3
\$15,000 to \$24,999	6.4
\$25,000 to \$34,999	10.9
\$35,000 to \$49,999	12.7
\$50,000 to \$74,999	18.8
\$75,000 to \$99,999	13.9
\$100,000 to \$149,999	16.1
\$150,000 to \$199,999	6.0
\$200,000 or more	3.9
	<u>100.0%</u>

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates Program, 2023.

Median Home Values. The following table reflects the median home value of owner occupied housing for the County, the State and the United States for calendar years 2019 through 2023 (the most recent information available).

<u>Year</u>	<u>County</u>	<u>State of Georgia</u>	<u>United States</u>
2019	\$118,400	\$202,500	\$240,500
2020	134,800	190,200	229,800
2021	173,900	249,700	281,400
2022	232,900	297,400	320,900
2023	240,400	323,000	340,200

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2019-2023.

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Building Permits Summary. Set forth below are the number and the estimated total value of construction building permits issued by the County, broken down by residential and non-residential permits, for the last four calendar years. Value is based upon estimates provided by the permit applicant. Permits issued for additions, alteration, conversions and repairs are not included. Residential permits include those permits issued for single family residences, multi-family buildings, including apartments, and mobile homes.

Year	Commercial		Residential			
	# Permits	Value	Single Family		Multi-Family	
			# Permits	Value	# Permits	Value
2021	10	\$ 2,927,633	386	\$29,621,773	1	\$362,000
2022	10	41,718,000	343	70,043,719	0	—
2023	5	2,732,829	396	76,359,284	0	—
2024	4	920,000	334	64,879,255	0	—

Source: Spalding County

Banking Deposits. The following table contains the number of banking institutions and the total banking deposits (in millions of dollars) on deposit in the County at all FDIC-insured institutions located within the County for the last five fiscal years ended June 30 (the most current information available).

Year	Institutions	Deposits
2020	7	\$ 975,015
2021	7	1,084,066
2022	7	1,166,353
2023	7	1,106,597
2024	7	1,044,422

Source: Federal Depository Insurance Corporation.

Labor Statistics. Set forth below are labor statistics for the County, the State and the United States for the past five calendar years and for the month of March 2025 (preliminary).

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>
County Labor Force	29,274	29,766	30,511	31,247	31,654	31,650
County Unemployment Rate	7.4%	4.5%	3.4%	3.6%	3.9%	4.1%
State Unemployment Rate	6.5	3.9	3.2	3.3	3.5	3.6
United States Unemployment Rate	8.1	5.3	3.6	3.6	4.0	4.2

⁽¹⁾ Reflects labor statistics for the month of March 2025 (preliminary).

Source: Georgia Department of Labor.

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Largest Employers. Set forth below are the principal employers located in the County for the fiscal year ended June 30, 2024, their industries and approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the area or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

	<u>Company</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1.	Griffin-Spalding County School System	Education	1,488
2.	Wellstar Spalding Regional Medical Center	Hospital/healthcare	900
3.	Caterpillar, Inc.	Power generation systems	693
4.	CareMaster Medical	Home nursing	600
5.	Spalding County	Government	601
6.	City of Griffin	Government	466
7.	Southern Crescent Technical College	Education	452
8.	University of Georgia Griffin Campus	Agricultural research education	405
9.	AEP Industries, Inc.	Packaging film manufacturing	250
10.	Hoshzaki America, Inc.	Ice making machinery	240

Source: Griffin-Spalding County Development Authority.

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Industry Mix. The following table sets forth an estimate of the industry mix and the average number of employees employed in the indicated industry within the County for the third quarter of 2024 (the most current information available) based on the Quarterly Census of Wages and Employment Program conducted by the Georgia Department of Labor. The estimates include persons employed in the indicated industry within the County regardless of where they reside (and thus reflect a total labor force greater than the County’s total labor force). The table does not provide information with respect to all industries and firms doing business within the County.

INDUSTRY	Average Number of Establishments	Average Monthly Employment
Goods-Producing	206	3,681
Agriculture, Forestry, Fishing & Hunting	8	31
Construction	120	724
Manufacturing	78	2,926
Service-Providing	1,114	14,645
Wholesale Trade	70	748
Retail Trade	250	3,067
Transportation and Warehousing	42	517
Information	14	74
Finance and Insurance	72	354
Real Estate and Rental and Leasing	55	125
Professional Scientific & Technical Svc	123	1,477
Management of Companies and Enterprises	4	14
Admin., Support, Waste Mgmt, Remediation	74	1,385
Education Services	13	59
Health Care and Social Assistance	154	4,277
Arts, Entertainment, and Recreation	9	46
Accommodation and Food Services	136	2,051
Other Services (except Public Admin.)	98	451
Unclassified - industry not assigned	83	45
Total - Private Sector	1,403	18,371
Total - Government	94	5,032
Federal Government	7	129
State Government	42	2,349
Local Government	45	2,554
ALL INDUSTRIES	1,497	23,403

(1) These data use the North American Industrial Classification System (NAICS) categories (as opposed to Standing Industrial Classification (SIC) categories).

(2) Figures in other columns may not sum accurately due to rounding and confidential data.

* Figures in other columns may not sum accurately due to rounding and confidential data. Denotes confidential data relating to individual employers and cannot be released.

Source: Georgia Department of Labor.

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Category of Land Use. The following table reflects the categories of land use in the County for the calendar year 2024 (the most recent information available).

<u>Land Type</u>	<u>Percentage by Acreage⁽¹⁾</u>
Agricultural	32.48%
Brownfield Property	0.02
Commercial	4.89
Industrial	1.08
Forest Land Cons Use	0.86
Residential	27.00
Utility	0.12
Conservation Use	<u>33.55</u>
Total	<u>100.00%</u>

⁽¹⁾ Percentages are based on the number of acres of real property set aside for each purpose. The total acreage of all real property subject to ad valorem taxation located in the County is approximately 117,587.58 acres. This figure does not include the acreage of any real property that is exempt from ad valorem property taxation.

Source: Georgia Department of Revenue.

County Services

The County provides all of the ordinary public services to its citizens. Among those services are law enforcement; corrections; the construction and maintenance of buildings, parks, streets, highways, bridges, stormwater 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; code enforcement; animal control; and general administrative and support activities. The County also provides fire protection to the unincorporated areas of the County and to the municipality of Orchard Hill on a yearly contractual basis. Water services are provided by the Authority.

Education

County residents are served by both public and private schools. The Griffin-Spalding Board of Education currently operates 18 schools within the County. The Griffin-Spalding County School System (GSCS) boasts a high graduation rate for Career, Technical and Agricultural Education (CTAE) programs (99%), exceeding the state average. The GSCS also has a strong focus on supporting students' academic, behavioral, and social-emotional needs through their MTSS (Multi-Tiered System of Supports) framework. Additionally, GSCS emphasizes student-teacher partnerships, as seen in the STAR (Student Teacher Achievement Recognition) program. The current student population is approximately 9,500.

The County is home to Southern Crescent Technical College with approximately 6,500 students, the University of Georgia College of Agricultural and Environmental Sciences Griffin Campus, and the Griffin Region College & Career Academy, a collaboration of area high schools, local businesses and Southern Crescent Technical College to allow students to work towards a post-secondary education while still in high school. In close proximity are Gordon State College at Barnesville (15 miles), a two-year college with approximately 3,200 students, and Clayton State University at Morrow (29 miles), a four-year college with approximately 6,100 students. There are many major colleges and universities in the Atlanta area and several smaller institutions of higher learning. The total student population in the Atlanta area is more than 250,000.

Commercial Services and Communications

A full range of commercial services are provided within the County. The County has one local newspaper, the Griffin Daily News, which is published five days a week. The County is served by radio stations operating in

the greater Atlanta area, as well as four local stations. The County receives all major networks from Atlanta area television stations and cable television is available to residents of the County through Comcast.

Transportation

Spalding County is served by convenient access to Interstate Highway 75, U.S. Highway 19 & 41, GA Highway 16, 92, 155, and 362. The nearest navigable river, the Chattahoochee, has a nine-foot channel depth. The nearest seaport is 232 miles away, at Savannah, with a maintained channel depth of 42 feet.

The nearest commercial air service is Hartsfield-Jackson Atlanta International Airport (40 miles) which is served by most major domestic and international carriers. The nearest public airport is the Griffin-Spalding County Airport which provides a 3,300 foot bituminous runway. A replacement airport is currently being constructed, which upon completion will provide a 5,500 foot runway, a parallel taxiway, high intensity runway lighting and an above-ground fuel farm.

The County is also served locally by Norfolk Southern rail service and CSX piggyback service. Norfolk Southern piggyback service and CSX piggyback service are available in Atlanta

Recreation

The County has several popular recreational parks such as Airport Road Park, Wyomia Tyus Olympic Park, Volunteer Park and Dundee Lake Park. Airport Road Park features a model half-mile walking trail constructed of approximately 71,000 recycled tires. The park also provides a playground and common area. Wyomia Tyus Olympic Park features wooded landscaping with soccer and baseball fields, two walking trails, one of which is rubberized, 5K cross-country trail, multiple playgrounds including one that is all accessible, a lake and a national championship disc golf course. Bonds issued by the County in 2016 funded a nationally acclaimed 18 court Pickleball Facility at Wyomia Tyus Olympic Park that annually hosts both regional and premier national tournaments. Volunteer Park has an agility course, and Dundee Lake Park, a 183-acre conservation recreation area, offers a 28 acre fishing lake suitable for bank fishing or small, non-gas motor boats. Three facilities have regulation indoor basketball courts, and there are adult softball fields, weight rooms, playground equipment, restrooms and concession stands at most of the recreational areas. Griffin's City Park has an 18-hole golf course and tennis courts and the Grind Skate Park that features a 6 foot half pipe, several quarter pipes, bank to bank, multiple event fun box, various grinding rails and more.

The Spalding County Senior Center is an active recreation center offering a wide variety of award-winning programming to adults 50 and older. The 27,000 square foot facility was built in 2013 to meet the needs of the County's growing older adult population with a mission to motivate seniors to remain physically and mentally active, independent, social and to maintain and improve their health. Membership is very affordable and free for qualified Silver Sneakers members. The Center is open daily with extended hours on Tuesday and Thursday evenings for classes and self-directed activities. The Center also offers banquet hall and conference room rental space.

Within the County and a short driving distance of Griffin is Callaway Gardens, a 14,000-acre resort. In addition, more than 30 miles of hiking and riding trails are features of Franklin D. Roosevelt State Park. Indian Springs State Park, High Falls State Park and Jackson Lake provide opportunities for fishing, camping, swimming and boating.

Medical Services

Wellstar Spalding Medical Center is a 170-bed acute care facility that has been providing medical care for the residents of Spalding County for more than 100 years. Wellstar Health System, Inc., a Georgia nonprofit health system acquired the hospital in 2016. Wellstar Spalding Regional Medical Center provides comprehensive, personalized care, including cardiology, orthopedics, surgical services and fast track minor care.

Utilities

Natural gas is supplied to the County by Georgia Natural Gas Company and is available in industrial quantities on both a firm and an interruptible basis. Electric power is distributed by the City of Griffin, Georgia Power Company and Central Georgia Electric Membership Corporation in different areas of the County.

BONDHOLDERS' RISKS

General

The purchase of the Series 2025 Bonds involves special risks and the Series 2025 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Series 2025 Bonds and could affect the market price of the Series 2025 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Series 2025 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Limited Obligations

General. The Series 2025 Bonds constitute special, limited obligations of the Authority. The Series 2025 Bonds do not constitute a general obligation of the Authority, and the Authority has no taxing power. Owners of the Series 2025 Bonds may not look to any Authority funds or accounts other than those specifically pledged by the Authority to the payment of the Series 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS."

Loss of System Revenues. The Series 2025 Bonds are secured by and payable solely from a first lien on and pledge of the Net Revenues of the System and from moneys on deposit in certain funds and accounts created pursuant to the Bond Resolution. If the System, or any material portion thereof, were to become inoperable due to damage, destruction, or environmental restriction or if the Authority should lack raw water or lack treatable water due to contamination, drought or catastrophe, the Authority may be unable to generate adequate revenues of the System. In the event that the operating revenues at any time are not sufficient to make such payments and deposits, the Authority covenants in the Resolution that it will increase such rates, fees, and charges to an extent which will ensure such payments and deposits (the "Rate Covenant"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS – Rate Covenant" and "THE SYSTEM."

No Mortgage Secures the Series 2025 Bonds. The payment of the Series 2025 Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the Authority, except for the Net Revenues. No real or personal property of the Authority, shall be liable to be forfeited or taken in payment of the Series 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS – General."

Additional Bonds

Under the Bond Resolution, the Authority is permitted to issue Additional Bonds on a parity with the lien of the Series 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS – Additional Bonds." Debt service on all Additional Bonds of the Authority will be payable from Net Revenues on a pro-rata basis. Accordingly, to the extent that future obligations are issued on a parity with the lien of the Series 2025 Bonds, the security for the Series 2025 Bonds may be diluted.

Factors That May Cause Insufficiency of Expected Revenues

General. The generation of Net Revenues is dependent upon several factors outside the Authority's control, such as the economy, collections of water and wastewater service charges and tap fees, continued growth

(or lack thereof), and changes in law. It is impossible to predict whether current economic conditions will continue or worsen or to predict how future conditions will affect the operation of the System or the Authority's finances in general. The following factors, among others, may impact the generation of Net Revenues in the future.

Payment on the Series 2025 Bonds is dependent upon the generation of sufficient Net Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, if the Authority should lack raw water or lack treatable water due to contamination, lack of adequate supply to serve existing customers, drought or for any other reason, if the Authority has inadequate storage or transmission facilities, if the Authority is unable to increase rates and charges for any reason or if the Authority incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the Authority may be unable to generate adequate revenues from the System to pay debt service on the Series 2025 Bonds (subject to the requirement that the Authority must subsequently raise rates if necessary to satisfy the Rate Covenant).

Water Quality and Environmental Requirements. The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water systems like the System are regulated by the Environmental Protection Agency and the EPD, and the EPD has the authority to enforce drinking water quality standards. Water quality standards imposed by the federal government or the State may affect the water available to the Authority and implementation of those standards or enforcement by the EPD could result in increased costs associated with water treatment operations of the City, which would increase the cost of water to the Authority. These quality standards include the EPA's authority under the federal Safe Drinking Water Act, to set enforceable National Primary Drinking Water Regulations ("NPDWRs") for drinking water contaminants and require monitoring of public water systems. On April 10, 2024, EPA finalized an NPDWR establishing legally enforceable levels for six "per- and polyfluoroalkyl substances" ("PFAS") in drinking water. The NPDWR also requires public water systems to perform initial monitoring for PFAS by April 26, 2027 and thereafter continue with ongoing compliance monitoring. By April 26, 2029 (unless extended to 2031 per EPA's statement that it will propose rulemaking to that effect later in 2025) public water systems must implement solutions that reduce PFAS below the required limits set forth in the NPDWR. The City's water treatment system is subject to the NPDWR. The City's expenses relating to compliance with the NPDWR and reduction of PFAS will be reflected in increased water rates to the Authority under the Water Sales Agreement, and the Authority will fund any such increased costs through existing revenues or an increase in water rates. No assurances can be given that any such increase in cost will not be material. Further, the City's failure to comply with regulatory changes, or the inability to comply with them in a timely manner would cause the Authority to access water pursuant to its Emergency Agreement or seek another source. See "THE SYSTEM – Water Sources – *Emergency Water Supply*" herein. Any disruption of service could negatively impact Net Revenues.

In operating the System, the Authority also may be subject to various environmental regulations that could subject the Authority to increased operating costs or capital expenditures. Such increased costs could reduce the amount of Net Revenues available to pay debt service on the Series 2025 Bonds.

Drought. In recent years, the State has experienced drought conditions. Continued, or more severe, watering limitations or increased conservation measures could reduce the amount of water sold by the Authority and therefore could reduce the Net Revenues generated by the System. Further, although the Authority may increase rates and charges without restriction in response to lower usage, it is not possible to predict at this time whether any rate increases can or will be implemented in time to pay debt service on the Series 2025 Bonds in any given fiscal year.

Cybersecurity. Despite the implementation of network security measures by the Authority, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the Authority's ability to collect Net Revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the Authority, no assurances can be given that the Authority's measures will

prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Authority and the System.

Secondary Market

There is no guarantee that a secondary market for the Series 2025 Bonds will be maintained. Thus, owners of Series 2025 Bonds should be prepared to hold their Series 2025 Bonds to maturity.

Changes in Law

Various federal and State laws and constitutional provisions apply to the imposition, collection, and expenditure of the Net Revenues and the operation of the System and the Authority. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the System, the affairs of the Authority and the imposition, collection, and expenditure of the Net Revenues.

No Trustee

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the applicable Resolution on behalf of the Bondholders, and therefore the Bondholders should be prepared to enforce such provisions themselves if the need to do so ever arises.

TAX MATTERS

Generally. In the opinion of Murray Barnes Finister LLP, Bond Counsel, under existing statutes, rulings and court decisions, and assuming compliance by the Authority with certain tax covenants, interest on the Series 2025 Bonds (including any original issue discount properly allocable to a holder of the Series 2025 Bonds) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. Except as provided below with respect to original issue premium, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on, or the ownership of, the Series 2025 Bonds.

Ownership of the Series 2025 Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2025 Bonds. Purchasers of the Series 2025 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In rendering its opinion that the interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, Bond Counsel will (a) rely as to questions of fact material to its opinion upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including representations as to the use and investment of the proceeds of the Series 2025 Bonds), without undertaking to verify the same by independent investigation and (b) assume continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2025 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the related Series 2025 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds.

Original Issue Premium. An amount equal to the excess of the purchase price of a Series 2025 Bonds over its stated redemption price at maturity constitutes premium on such Series 2025 Bond. A purchaser

of a Series 2025 Bond must amortize any premium over such Series 2025 Bond's term using constant yield principles, based on the Series 2025 Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Series 2025 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Series 2025 Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

The foregoing is a general discussion of certain federal income tax consequences of original issue premium and does not purport to deal with all tax questions that may be relevant to particular investors or circumstances. Purchasers of any Series 2025 Bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Series 2025 Bonds.

Original Issue Discount. In the opinion of Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, any original issue discount in the selling price of a Series 2025 Bond, to the extent properly allocable to a holder of such Series 2025 Bond, is excludable from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of such Series 2025 Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Series 2025 Bond was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (a) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (b) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (c) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

The foregoing is a general discussion of original issue discount. Purchasers of discount Series 2025 Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes and with respect to state and local tax consequences of owning such discount Series 2025 Bonds.

State of Georgia. In the opinion of Bond Counsel, under existing law, interest on the Series 2025 Bonds is exempt from present state income taxation within the State of Georgia. Interest on the Series 2025 Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Purchasers of the Series 2025 Bonds should consult their own tax advisor with respect to the tax-exempt status of interest on the Series 2025 Bonds in a particular state or local jurisdiction other than the State of Georgia.

Changes in Federal Tax Law. Current and future legislative proposals, if enacted by Congress, could cause interest on the Series 2025 Bonds to be subject, directly or indirectly, to Federal income taxation or to be subject to State income taxation or adversely affect the market value of the Series 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2025 Bonds or could cause interest on the Series 2025 Bonds to be subject, directly or indirectly, to Federal income taxation or to be subject to State income taxation. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2025 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2025 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant

judicial and regulatory authorities as of the date of issuance and delivery of the Series 2025 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation.

LEGAL MATTERS

Pending Litigation

The Authority, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and threatened litigation with its attorney, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Authority or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Authority.

There is no controversy or litigation of any nature now pending against the Authority restraining or enjoining the issuance or delivery of the Series 2025 Bonds, the pledge of the Net Revenues to secure the Series 2025 Bonds, or the use of proceeds of the Series 2025 Bonds, or which questions or contests the validity of the Series 2025 Bonds or the proceedings and authority under which they are issued and secured.

Validation Proceedings and Approving Opinions

In accordance with the procedures set forth in the Revenue Bond Law, the Series 2025 Bonds will be validated by order of the Superior Court of Spalding County prior to their issuance. A final validation order was received from the Superior Court of Spalding County on May 28, 2025.

Legal matters incidental to authorization and issuance of the Series 2025 Bonds by the Authority are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the Authority. It is anticipated that the approving opinion will be in substantially the form attached hereto as Appendix D. Certain legal matters will be passed upon for the Authority by its counsel, Beck, Owen & Murray.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Closing Certificate

The Authority will deliver to the Underwriter a certificate to the effect that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Rating

As noted on the cover page of this Official Statement, the Series 2025 Bonds have been assigned a rating of “Aa3” by Moody’s Investors Service (“Moody’s”). Any desired explanation of the significance of such rating should be obtained from Moody’s. Generally, rating agencies base their ratings on the information and materials furnished to the agencies and on investigations, studies and assumptions by such agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Authority and the Underwriter have not undertaken any responsibility to oppose any such proposed revision,

suspension or withdrawal. Any such change in or withdrawal of such rating could have an adverse effect on the market price of the Series 2025 Bonds.

Underwriting

The Series 2025 Bonds have been purchased by Raymond James & Associates, Inc., Atlanta, Georgia (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase the Series 2025 Bonds at a price of \$_____ (representing a par amount of \$_____, plus original issue premium of \$_____, and less underwriter’s discount of \$_____). The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may also allow a concession from the public offering prices to certain dealers and others.

Independent Professionals

The general purpose financial statements of the County as of June 30, 2024 and for the fiscal year then ended, attached hereto as part of Appendix A, have been audited by Mauldin & Jenkins, LLC, Macon, Georgia (the “Auditors”), as indicated in their report included thereon. Such financial statements have been included as Appendix A hereto without the consent of the Auditors. The Auditors have not performed any procedures relating to this Official Statement.

The Authority has retained Raftelis Financial Consultants, Inc., Charlotte, North Carolina, as its financial consultant to prepare the Feasibility Report included as Appendix E to this Official Statement, which is included herein in reliance upon the authority of such firm as experts in related financial matters.

Verification of Mathematical Accuracy

The Verification Agent will deliver to the Authority, on or before the delivery date of the Series 2025 Bonds, its verification report indicating that it has verified, the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the government obligations, to pay, when due, the principal of and interest on the Refunded Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Authority and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the Authority and its representatives and has not evaluated or examined the assumptions or information used in the computations.

Additional Information

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

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AUTHORIZATION OF OFFICIAL STATEMENT

The Authority has duly authorized the execution and delivery of this Official Statement as of the date shown on the cover page.

**SPALDING COUNTY WATER AND SEWERAGE
FACILITIES AUTHORITY**

By: _____
Chairman

APPENDIX A

Audited Financial Statements of Spalding County, Georgia for the Fiscal Year Ended June 30, 2024

The Series 2025 Bonds are payable only from the Authority's Net Revenues of the System, and not by any assets, revenues or other moneys of the County. The audited financial statements of the County are included in their entirety only because the audited financial statements of the Authority are not prepared separately. Investors should only consider the financial information pertaining to the Authority contained in the attached financial statements.

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SPALDING COUNTY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**Prepared by:
Erica Dye
Administrative Services Director**

SPALDING COUNTY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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SPALDING COUNTY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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SPALDING COUNTY, GEORGIA
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I. INTRODUCTORY SECTION

Spalding
COUNTY

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FY24 BUDGET TRANSMITTAL LETTER

PREPARED FOR:

Spalding County Commissioners

District 1
Gwen Flowers-Taylor
Term 2005 - 2028



District 2
James R. Dutton
Term 2019 - 2026



District 3
Rita Johnson
Term 2013 – 2024



District 4 - Vice Chair
Ryan Bowlden
Term 2020 – 2028



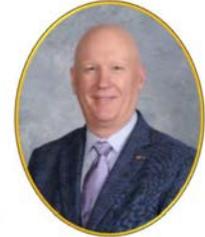
District 5 – Chair
Clay Davis III
Term 2021 – 2026



Message from the County Manager

Honorable Spalding County Commissioners:

It is my utmost privilege to present the County Manager's Fiscal Year 2024 operating budget, focused on "Financial Transparency in Spalding County." This budget represents a responsible spending plan for the fiscal year, with a laser-focused eye on future needs. Significant work has gone into ensuring that this budget is fiscally sound, supports our workforce, ensures the provision of high-quality government services that meet the needs of our growing community, and advances the Spalding County Commission's budget priorities:



Steve Ledbetter, PhD
County Manager

- Financial Transparency
- Pay Equity and Employee Recruitment/Retention
- Quality of Life that maintains our Rural Charm while attracting High-Quality Development
- Infrastructure Maintenance and Development

To maintain our commitment to ensure our tax dollars are utilized to improve Spalding County efficiently and effectively, the FY2024 budget reflects the ideals and priorities of Spalding County residents. These guiding principles allow us to deliver on our unified commitment to provide quality services to our community. From investing more than \$3M in our human capital through pay equity to allocating more than \$2.9M to improve utility performance in our government facilities, this budget continues to move Spalding County forward.

Spalding County has been recognized for its excellence and leadership with several notable awards: Chief Mike Byrd received the State of Georgia Fire Chief of the Year award; Chief Glenn Polk was honored as the EMA Director of the Year by the Emergency Management Association of Georgia; and Public Works Director TJ Imberger was named the Distinguished Professional of the Year by the Georgia Recreation and Parks Association. These accolades highlight the great potential within Spalding County, and I am honored to work alongside such a dynamic group of elected officials, over 600 employees, and more than 70,000 residents in achieving our collective goals.

As we continue to position our county as a premier destination for diverse eco-green industries, we invite families to join our neighborhoods and encourage visitors to explore Griffin's charming downtown and the natural beauty of our county parks. This budget solidifies our commitment by creating an environment where businesses, residents, and visitors can live, work, and play.

FY2024 Budget Priorities

The 2024 Budget Priorities were designed to look forward to the needs of our community. As our community grows as highlighted in Figure 1 below, our government serves to meet the needs of this growth by providing a high-level of services while searching for ways to create efficiencies and reduce costs. The four primary focus areas for Fiscal Year 2024 are described below.

2010 - 2024 Spalding County Population

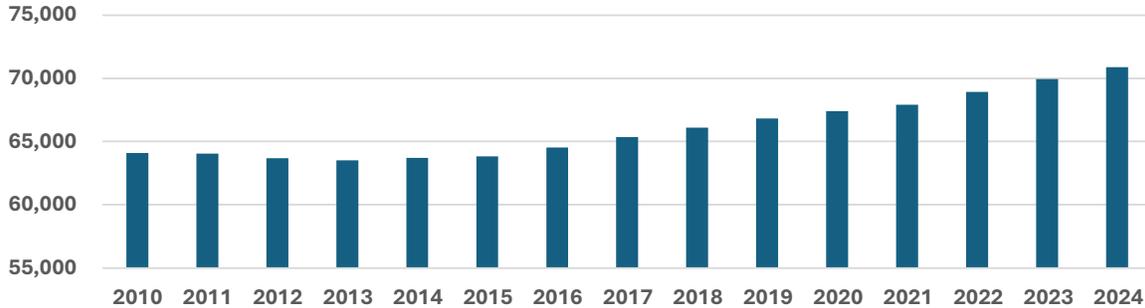


Figure 1

Financial Transparency

In February 2024, the Board of Commissioners instructed staff to issue a Request for Qualifications to engage an auditing firm for a comprehensive examination of Spalding County’s financial records, including the general ledger, trial balance details, bank statements and reconciliations, expense reports, purchase card transactions, vendor data, and payroll data. RSM US LLP was retained by Ms. Stephanie Windham, County Attorney, on behalf of the Spalding County Board of Commissioners to provide financial consulting services. RSM conducted a thorough analysis of the specified documents and documents identified as higher risk transactions based on their prior experience for detailed testing. They reviewed backup documentation provided by the County to assess the legitimacy of the expenses incurred during the normal course of business. The final report, presented to the Board of Commissioners on October 31, 2024, by Chris Ekimoff, the Director of Financial Investigations and Dispute Services with RSM US, LLP, highlighted the following:

Summary of observations based upon procedures conducted May 2 – Oct 31, 2024

“OUR PROCEDURES DID NOT IDENTIFY ANY INDICIA OF FRAUD OR MISAPPROPRIATION.”

*Chris Ekimoff, CPA/CFE, CFE, MAFF, CGMA
Director, Financial Investigations & Dispute Services*

The financial investigation had two main objectives:

Addressing Allegations of Concealed Funds: There were concerns within the community that staff members were hiding money intended for projects that were not included in the official budget. The financial review aimed to investigate these claims thoroughly to ensure transparency and accountability. By examining the financial records in detail, the auditors sought to confirm whether any funds were being misappropriated or used for unauthorized purposes.

Establishing a Clear Transition Between Financial Officers: The review also aimed to create a clear distinction between the former financial officer, who had faithfully served Spalding County for over 25 years, and the newly appointed financial officer. This was important to ensure that the transition in financial leadership was smooth and that the new officer could start their tenure with a clean slate. It also helped to reassure the community that the financial management of the county was in capable hands and that any past practices were thoroughly reviewed and understood.

After the presentation of the report by Mr. Ekimoff, Chairman Davis expressed his gratitude to the RSM US LLP team and the county staff for their hard work. He emphasized the importance of their efforts in demonstrating to the community that the financial review was conducted transparently and that no fraud or misappropriation of funds was found. This acknowledgment was crucial in maintaining public trust and confidence in the county's financial management.

Pay Equity and Employee Recruitment/Retention

The Spalding County Board of Commissioners remains committed to fostering a fair and competitive work environment. In alignment with this commitment, the Board of Commissioners engaged Evergreen Solutions to conduct a comprehensive pay study. The findings of this study have been instrumental in shaping our strategic approach to compensation.

Our implemented plan focuses on two critical areas:

Alleviate Compression: Spalding County took significant steps to address pay compression, ensuring that salary differences between employees are fair and reflective of their experience and tenure. This adjustment is vital in maintaining internal equity and employee morale.

Increase Starting Pay: Recognizing the importance of attracting and retaining top talent, Commissioners increased the starting pay for new hires. This initiative not only enhanced our competitive edge in the job market but also underscored their dedication to valuing our employees from the outset of their careers.

Detailed Plan for Employee Retention:

To further strengthen our efforts in employee retention, Commissioners developed a comprehensive plan that included the following key components:

Career Development and Training: The County committed to providing ongoing professional development opportunities. This included access to training programs, workshops, and certifications that enable employees to enhance their skills and advance their careers within the organization.

Performance-Based Incentives: We continued a proficiency-based incentive program that rewards employees for their continued education and certifications. This program includes pay increases, and recognition awards to motivate and retain high-performing staff.

Work-Life Balance Initiatives: Understanding the importance of work-life balance, we have implemented flexible work schedules and wellness programs. These initiatives are designed to support employees' well-being and reduce burnout, contributing to higher job satisfaction, and retention.

Competitive Benefits Package: Our benefits package includes comprehensive health insurance, retirement plans, paid time off, and other perks. These benefits are crucial in retaining employees by providing them with financial security and peace of mind.

These measures are designed to promote pay equity and improve our recruitment and retention efforts, ultimately contributing to a more motivated and stable workforce.

Quality of Life that maintains our Rural Charm while attracting High-Quality Development

To ensure sustainable growth, it is crucial to attract high-quality development that aligns with our community values and enhances our residents' quality of life. This involves:

Smart Growth Strategies: Implementing smart growth strategies that focus on sustainable development, preserving open spaces, and promoting walkable connected communities. These strategies help maintain the rural character while accommodating new businesses and residents.

Community Engagement: Actively involving community members in the planning process to ensure that development projects reflect the needs and desires of the local population. This engagement began several years ago through the development of our Comprehensive Plan which remains an active working document, not only by our Community Development Department, but by members of our community who routinely use the document to ensure staff adheres to the Future Land Use Map. The use of these documents provides a sense of ownership and ensures that growth benefits everyone.

Economic Diversification: Encouraging a diverse range of businesses to set up in our area, from small local enterprises to larger companies that can provide employment opportunities and stimulate the local economy. This diversification creates a resilient economic base that supports long-term prosperity.

Infrastructure Improvements: Investing in infrastructure improvements that support both current residents and future growth. This includes enhancing transportation networks, expanding broadband access, and ensuring reliable utilities such as sewer in support of Author K Bolton Blvd – our employment corridor along with the new regional airport funded by the State of Georgia and FAA.

Environmental Stewardship: Prioritizing environmental sustainability in all development projects focused on an eco-green directive by our Board of Commissioners to protect our natural resources and ensure a healthy environment for future generations. This is evident by our eco-green covenants adopted by our Griffin-Spalding Industrial Development Authority located at The Lakes at Green Valley Industrial Park.

Infrastructure Maintenance and Development

In our ongoing commitment to enhancing infrastructure within our county, we have made significant strides in road maintenance, sewerage system development, and stormwater management.

For road maintenance and assessment, we issued a Request for Qualifications (“RFQ”) and awarded a competitive bid contract to engage with Road Assessment Services (“RAS”). This initiative aims to comprehensively inventory, assess, and prioritize our county roads, street signs, culverts, curbs, and sidewalks. By partnering with RAS, we conducted a thorough inventory of all county roads to create a detailed database of current conditions along with an asset inventory. This will be followed by an evaluation of the structural integrity, safety, and usability of each road segment. Finally, we continue to develop a strategic plan that will serve to prioritize the most critical areas first, ensuring that resources are allocated efficiently and effectively. This systematic approach will help us maintain a high standard of road safety and usability for our residents, addressing issues proactively and preventing deterioration.

In collaboration with the Spalding County Water & Sewerage Facilities Authority, we evaluated four key areas across the county for the installation of new sewer systems. This collaboration involved identifying and assessing potential sites for sewer infrastructure based on current and projected population growth, environmental impact, and cost-effectiveness. We are developing detailed plans for the sewer systems, including layout, capacity, and integration with existing infrastructure. The implementation phase will coordinate the installation of the sewer systems to ensure minimal disruption to residents and businesses, while maximizing long-term benefits for sanitation and public health. This initiative will significantly improve sanitation, support future growth, and enhance the quality of life for our community.

Additionally, we are focused on the development of a comprehensive stormwater utility to manage and mitigate stormwater runoff. This includes conducting a thorough assessment of the current stormwater infrastructure and identifying areas prone to flooding and erosion. Working with our engineering firm, we are developing a strategic plan to upgrade and expand stormwater systems, including the installation of new drainage channels, retention basins, and green infrastructure. The planned upgrades and expansions will be executed to improve stormwater management, reduce flooding risks, and protect natural waterways.

These efforts reflect our dedication to maintaining and developing our county's infrastructure, ensuring it meets the needs of our community now and in the future.

ECONOMIC OUTLOOK

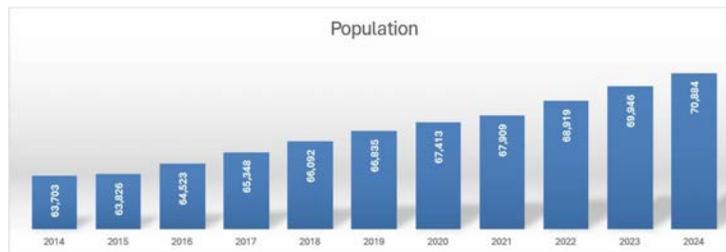
Although the inflation rate in the US decreased from Fiscal Year 2023 to Fiscal Year 2024, locally it remained higher than the national average. Our community continues to respond to the challenges to meet the needs of our growing community while reducing costs.

	FY21	FY22	FY23	FY24
United States	1.6%	4.2%	8.0%	4.9%
Georgia	1.9%	5.5%	10.7%	6.2%
Spalding County	1.8%	5.0%	9.4%	5.8%
Griffin	1.9%	5.2%	9.6%	5.9%

The higher inflation rate in Spalding County compared to the national average can be attributed to several factors: Population Growth, Housing Stock and Cost; and Labor Market.

Population Growth

Spalding County experienced an 11% growth in population from 2014 to 2024. The chart highlights the population increases for the past 10 years.



The 11% population growth in Spalding County from 2014 to 2024 has resulted in a modest 3.10% increase in local option sales tax revenues from Fiscal Year 2023 to Fiscal Year 2024, which is a strain on the County budget. The tax revenue limits our ability to address capital improvement projects, leaving much needed infrastructure struggling to keep up.

However, Spalding County is leveraging innovation to effectively deliver public services. The county's Community Development department adheres to our Comprehensive Plan and Future Land Use Map to guide growth and improve resource management. Likewise, Public Works is dedicated to continuous improvement of services and processes using our single county T-SPLOST, ensuring that the needs of the community are met to maintenance our road system. Despite the challenges highlighted above, these innovative approaches are helping Spalding County manage its growth more effectively.

Housing Stock and Cost

Georgia has experienced significant increases in housing costs, particularly in urban areas like Atlanta. Rising property values and rents have contributed to higher overall inflation.

The housing market in Spalding County, Georgia, has demonstrated significant trends and developments from July 1, 2023, through June 30, 2024. During this period, the median sale price of homes was approximately \$237,050, reflecting a 2.3% increase over the previous year. This steady rise in home values indicates a stable and growing market.

Market activity has shown positive changes, with homes typically remaining on the market for about 44 days, a notable decrease from 2023. This reduction in market time suggests increased demand for housing within the county. As of October 31, 2024, there were 421 homes available for sale, providing a diverse range of options for prospective buyers.

The sale-to-list price ratio was approximately 98.7%, indicating that homes are selling very close to their listing prices. This high ratio underscores the competitiveness of the market, where sellers are achieving prices near their asking amounts. The median listing price was \$271,167, with a median sale price of \$267,642 as of September 30, 2024, further highlighting the market's stability.

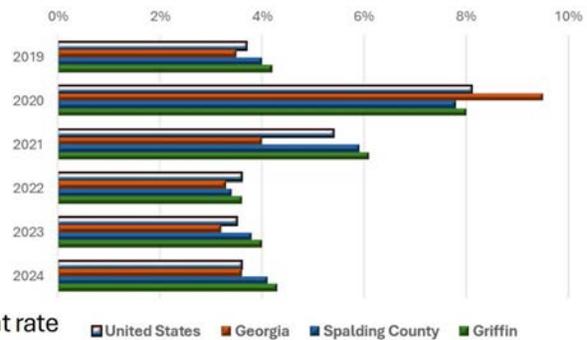
The housing inventory in Spalding County includes a variety of property types, such as single-family homes, multi-family units, and townhomes. This diversity caters to a wide range of buyer preferences and budgets, ensuring that the market can meet various housing needs.

The Spalding County housing market has experienced a modest increase in home values and a faster selling pace compared to the previous year.

Labor Market

As of August 2024, the unemployment rate in Spalding County was 4.1%, indicating that 4.1% of the labor force was unemployed and actively seeking work. This rate represents an increase of 0.3% compared to August 2023, when the unemployment rate was 3.8%, suggesting a slight worsening of the job market over the past year. When compared to the national and state levels, Spalding County's increase is slightly less pronounced. The national unemployment rate in August 2024 was 4.2%, up from 3.8% in August 2023,

marking a 0.4% increase. Similarly, the State of Georgia saw its unemployment rate rise to 3.6% in August 2024 from 3.2% in August 2023, also a 0.4% increase. This comparison indicates that while Spalding County has faced challenges in its job market, the deterioration has been less severe than that experienced at both the state and national levels.



Our community is resilient and continues to meet the needs of our growing population with determination and innovation. Our community is ready to embrace these unique opportunities and views these challenges as a catalyst for positive change.

Population growth brings new opportunities for businesses and can lead to a more vibrant and diverse community. By encouraging local entrepreneurship and supporting small businesses, we can harness this growth to create a thriving local economy.

The availability and affordability of housing play a significant role in our community. With a growing population, the demand for housing often outpaces supply, and more often leads to higher housing costs. Addressing this challenge involves developing more housing options and ensuring they are accessible to all income levels. By investing in affordable housing projects and promoting sustainable development, we can help stabilize prices and provide homes for everyone in our community.

The local labor market dynamics, including employment rates and wage levels, also have an impact. A competitive labor market can lead to higher wages, which benefits workers and stimulates economic growth. By fostering a strong, skilled workforce through education and training programs, and supporting local businesses, we create a balanced labor market that benefits everyone.

These are areas where we have focused our efforts to create sustainable solutions. By working together and leveraging our community's strengths, we are addressing these challenges and continue our efforts to make Spalding County a great place to live, work, and play!

Digest Growth

Countywide real estate market studies show residential sales prices are increasing and volumes are decreasing year-over-year. Various sources report median sales prices from FY2023 to FY2024 dropping 5.9%, average home values increased during the same period by 11%.

Fiscal Year	Median Sale Price	% Change in Price	Number of Sales	% Change in Sales
2020	\$187,500		1175	
2021	\$202,500	8.00%	1125	-4.30%
2022	\$220,000	8.60%	1075	-4.40%
2023	\$240,000	9.10%	1025	-4.70%
2024	\$267,642	11.00%	965	-5.90%

Multi-family rents in that same period have shown increases of approximately 3.9%, with the average asking rent for a single room apartment of \$930 per month. New construction permit numbers have increased from Fiscal Year 2023 for residential and commercial property.

Fiscal Year	Median Monthly Rent	% Change in Rent
2020	\$807	
2021	\$835	3.50%
2022	\$865	3.60%
2023	\$895	3.50%
2024	\$930	3.90%

Estimates indicate significant change in gross digest values, with real growth estimates between 6% and 23%.

	FY2020	FY2021	FY2022	FY2023	FY2024
Gross Digest	\$1,901,443,100	\$2,043,342,631	\$2,420,933,459	\$2,972,545,328	\$3,163,547,542
		7%	18%	23%	6%

General Fund Sales Tax Collection

Sales tax revenue growth for Fiscal Year 2024 is 3.1%, which is lower than in previous years. This same growth rate is expected for Fiscal Year 2025. Inflation has decreased from 2023 levels, easing pressure on prices and spending. Additionally, the risk of a recession has lessened, contributing to a stable economic outlook. These factors were considered when projecting the sales tax growth rate, reflecting a cautious but stable economic environment.



In conclusion, Spalding County offers a unique blend of rich history, vibrant community spirit, and promising economic opportunities. Our county is known for its welcoming atmosphere, excellent educational institutions (UGA Griffin Campus and Southern Crescent Technical College), and a commitment to fostering growth and innovation. We are confident that Spalding County will continue to thrive and provide a supportive environment for both residents and businesses alike.

FY24 A Year in Review

Administration & Finance

- Completed the Forensic Audit (need to use another title for this)
- Began the eighteen (18) month project to transition into a new ERP system
- Successfully balanced the FY2024 budget ensuring financial stability of the county
- Completed the FY2023 audit to ensure financial transparency with consideration by GOFA Certificate of Achievement for the 23rd Year in a row

Construction

- Transitioned UGA Cooperative Extension into a new location to support the 2024 Presidential Elections
- Central Records Retention Office completed

Community Development

- 503 Permits issued
- 740 business licenses issued

Correctional Institute

- Outstanding Program Completion Rates in various programs, including case management, substance abuse recovery, reentry initiatives, on-the-job training, vocational training, and educational programs. Contributed to offenders gaining vital skills for reintegration
- Counseling team achieved the Excellence in Counseling award from the Georgia Department of Corrections
- Converted facility gym into a versatile program area, adding classrooms, a chapel, and office space
- The Inmate Firefighter Program increased the number of participating inmates to seven. A full-time certified firefighter was hired to oversee the program
- Developed a staff career development plan aimed at enhancing the skills of both line supervisors and upper-level supervisors. Six supervisors completed Supervision Levels 1, 2, and 3, earning the Department of Correction Supervision certification

Emergency Management & Homeland Security

- 91% FEMA reimbursement recovered from the January 2023 tornado event
- Awarded Hazard Mitigation grant for two (2) generators
- Awarded Grant to provide Narcan and cabinets in county facilities
- Two (2) successful CERT programs hosted this year, with our 20th and 21st program
- Appointed to Executive Team of the Region F Healthcare Coalition
- Appointed to the Chair of GEMA Area 4 counties which serves on the Executive Team of the Emergency Management Association of GA
- Received the Good Neighbor Award from the American Red Cross

Emergency Radio & IT

- Successfully bid and awarded a contract for upgrading the 800MHz Radio system
- Successfully bid and awarded a contract for a new VoIP telephone system

Fire

- Maintained our ISO 3/3X Rating
- Received and put into service 3 New Engines
- Presented 4 Life Saving Awards for Cardiac Saves
- 1 Valor Award Presented (later to receive a Governor’s Life Saving Award)
- Chief Mike Byrd named President of Georgia State Firefighters Association

Parks & Leisure Services

- Building Opportunities for Out of School Time Grant (“BOOST”): \$86,609 in grant funds; Serving 262 Children with Accelerated Learning Programming throughout the year.
- 94.5% of students achieved academic success in healthy eating and physical activity
- 98% of students exhibited good or improved behavior
- 96.4% of students demonstrated good or improved teamwork and communication skills
- Grand Opening of Aquatic Center
- Our Legacy Museum Soft Opening
- Improving Neighborhood Outcomes in Disproportionately Impacted Communities Grant (“INODIC”): \$9.3 Million for improvements to AMBUCS Park and Volunteer Park.
- Senior Nutrition Program sustains 80% of its operations through grants and reimbursements.
- Added a restroom building at Tyus Park picnic area
- Completed construction of large lakeside pavilion

Public Works

- Completed major repairs on Jordon Hill Road Bridge
- Completed Triple Surface on the following roads Cecil Jackson, Weldon, and Henley
- Major cross drains were replaced on Birdie Road, Valley Hill Road, Macon Road
- Completed Striping with new Thermal Stripes – 28 miles of roadway
- Completed Year 2 TSPLOST roadway resurfacing projects on-time and under budget

Solid Waste - Recycle Centers

- Hosted 2 Citizen Bulky Days to allow all Spalding County citizens to dispose of bulky items without cost
- Completed a UGA Capstone Study for Carver Road Recycle facility
- Completed conceptual designs for the old Yamacraw Road landfill

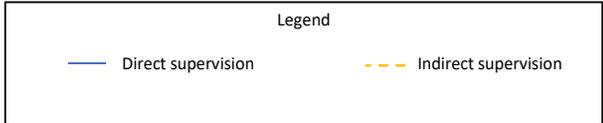
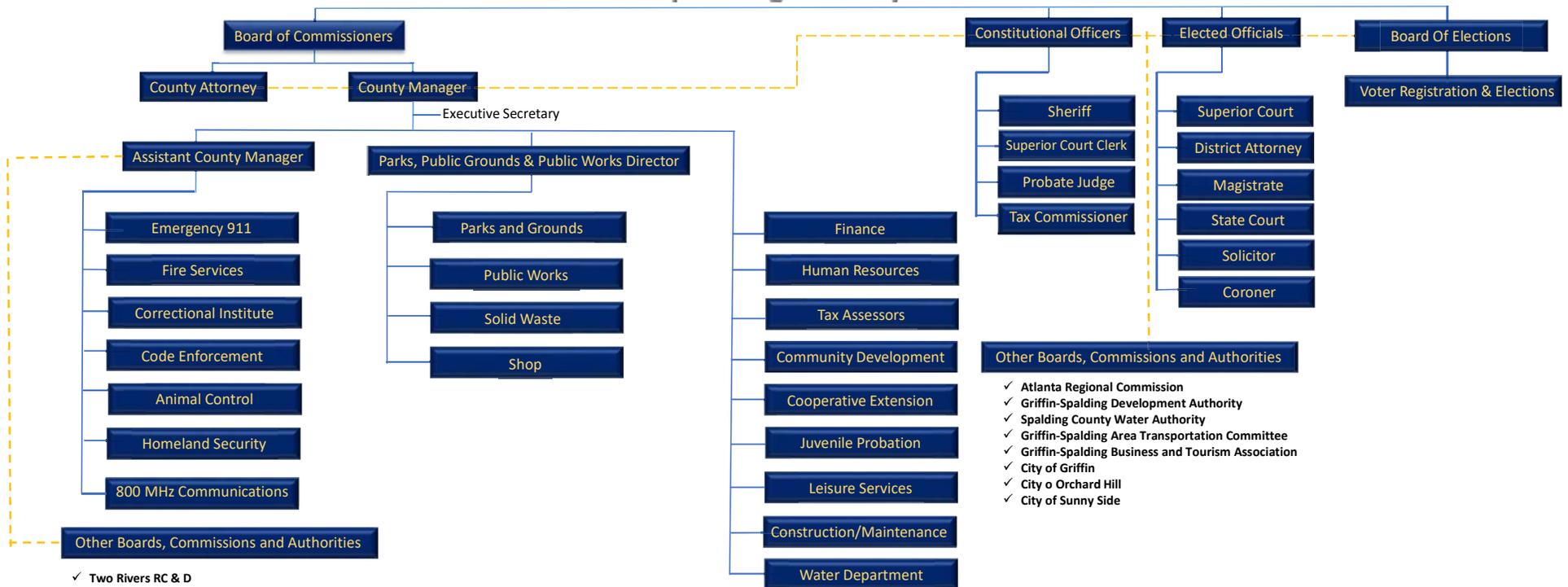
SUBMITTED BY:

**Spalding County
Executive & Administration**

Steve Ledbetter, PhD
County Manager

Erica Dye
Deputy County Manager - Administration

Citizens of Spalding County



SPALDING COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2024

BOARD OF COMMISSIONERS

Clay Davis, Chairman
James R. Dutton, Vice-Chairman
Ryan Bowlden
Gwen Flowers-Taylor
Rita C. Johnson

COUNTY MANAGER

Steve Ledbetter, PhD

ADMINISTRATIVE SERVICES DIRECTOR

Erica Dye

COUNTY ATTORNEY

Stephanie Windham

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

Marie G. Broder

SUPERIOR COURT JUDGES

W. Fletcher Sams
Scott Ballard
Benjamin Coker
Ben J. Miller, Jr.
Rhonda Kreuziger

II. FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Spalding County, Georgia
Griffin, Georgia**

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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 the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Fire District Fund, and the American Rescue Plan Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Griffin-Spalding Development Authority and the Spalding County Board of Health, which represent 26.77%, 27.83%, and 20.43%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 Griffin-Spalding Development Authority and the Spalding County Board of Health are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis (“MD&A”), the Schedule of Changes in the County’s Total OPEB Liability and Related Ratios, the Schedule of Changes in the County’s Net Pension Liability and Related Ratios, and the Schedule of County Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spalding County, Georgia’s basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Schedule of State Contractual Assistance – DHR, the schedule of expenditures of Special Purpose Local Option Sales Tax (“SPLOST”) proceeds, as required by the Official Code of Georgia Annotated (“O.C.G.A.”) §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax (“TSPLOST”), as required by the O.C.G.A. §48-8-260 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and continuing disclosure sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated January 29, 2025, on our consideration of the County'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 the 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 the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
January 29, 2025

SPALDING COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

Financial Highlights

- The assets and deferred outflows of resources of Spalding County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$120,789,441 (net position), an increase of \$7,300,928 in comparison with the prior year. Of this amount, \$85,169,029 represents the County's investment in capital assets, net of accumulated depreciation, and reduced outstanding debt related to the purchase or construction of capital assets. \$29,016,989 is restricted by constraints imposed externally from outside the County such as grant and debt covenants, laws and regulations, and other governments. The unrestricted net position, which represents the amounts available to meet Spalding County's ongoing obligations to citizens and creditors, was a surplus of \$6,603,423. In January 2019 the County implemented an enhanced defined benefit plan which resulted in a substantial increase in net pension liability which has caused the deficit balance in the unrestricted net position. It is the County's policy to fund more than the actuarially required contribution amount which is helping to reduce this deficit.
- On June 30, 2024, the County's governmental funds reported combined ending fund balances of \$60,185,320, an increase of \$4,531,983 in comparison with the prior year. Of this amount, \$23,513,998 is available for spending at the government's discretion (unassigned fund balance).
- On June 30, 2024, the County's General Fund reported a total fund balance of \$25,337,849, an increase of \$5,456,280 over the prior year. The General Fund's unassigned fund balance was \$23,552,338, an increase of \$6,034,227. This substantial increase is due to FEMA reimbursements from the January 2023 tornados, reimbursement from the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program, and no appropriation of fund balance to the subsequent year's budget.
- The 2016 Special Purpose Local Sales Tax ("SPLOST") Debt Service Fund and 2016 SPLOST Capital Projects Fund closed the fiscal year 2024 with fund balances of \$136,663 and \$1,1163,606 respectively. The 2016 SPLOST was used to retire the outstanding City of Griffin and Spalding County debt as well as various other City and County projects and ended on March 31, 2022.
- Spalding County voters approved a new 1% Transportation SPLOST in November 2021 which will fund various transportation and resurfacing projects, sidewalk and pedestrian connectivity, and intersection improvements for Spalding County and the City of Griffin. The 2022 TSPLOST Capital Projects Fund accounts for the financial resources provided by the 2024 General Obligation Sales Tax Bonds and the 2022 1% Transportation Special Purpose Local Option Sales Tax. At the end of fiscal year 2024, this fund had a restricted fund balance of \$8,302,822.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- On March 11, 2022, the American Rescue Plan Act was signed into law by President Biden creating the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. The county chose to utilize the funds as a Net Revenue Loss in 2023. The remaining funds have been placed in a special revenue fund pending future appropriation.

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 financial statements. This report also contains supplementary information intended to furnish additional detail to support 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, like a private-sector business. The Statement of Net Position presents financial 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 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 charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development.

The government-wide financial statements include Spalding County (the "primary government"), 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 15 – 17 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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 provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Spalding County maintains 23 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, 2016 SPLOST Debt Service, 2024 TSPLOST Debt Service, 2016 SPLOST Capital Projects, 2024 TSPLOST Capital Projects and American Rescue Plan Act ("ARPA") funds which are major funds. Data from the other 16 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, Fire District Fund, and ARPA Fund to demonstrate compliance with this budget. These statements are found on pages 23 – 27. The basic governmental fund financial statements can be found on pages 18 – 22. 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. Internal service funds are an accounting method used to accumulate and allocate costs internally among Spalding County's various functions. 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 28 – 30 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 reported in the government-wide financial statements because the resources of those funds are not available to support Spalding County's 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 pages 31 and 32 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 33 – 79 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 80 – 85 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 86 – 91 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Spalding County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$120,789,441 at the close of the most recent fiscal year.

Spalding County's Net Position – Governmental Activities

	2024	2023
Current and other assets	\$ 70,812,062	\$ 64,644,380
Capital assets	102,786,691	98,166,844
Total assets	173,598,753	162,811,224
Deferred outflow of resources	6,724,523	7,864,993
Long-term liabilities outstanding	45,202,607	44,272,337
Other liabilities	12,356,887	10,994,257
Total liabilities	57,559,494	55,266,594
Deferred inflow of resources	1,475,661	1,604,994
Net position:		
Net investment in capital assets	85,169,029	84,041,840
Restricted	29,016,989	26,191,903
Unrestricted	6,603,423	3,254,770
Total net position	\$ 120,789,441	\$ 113,488,513

Current and other assets increased by \$10,787,529 from the prior year, primarily due to leased assets under a new leasing program. Long-term liabilities, which consist of bonds, certificates of participation, leases, compensated absences, and post-employment benefit obligations, increased by \$93,270, primarily attributable to post-employment benefit obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

By far the largest portion of the County's net position 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 various 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.

An additional portion of Spalding County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a surplus of \$6,603,423 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. This is due primarily to an increase in the plan's net investment income and the County's policy of funding more than the required pension contribution. The funded ratio and net pension liability as a percentage of the covered payroll ratio indicate positive trends in the County's defined benefit pension plan.

Governmental Activities. During the current fiscal year, the net position for governmental activities increased by \$7,300,898 over the prior fiscal year for an ending balance of \$120,789,411. Key elements of the increase in net position are as follows:

Spalding County's Changes in Net Position

	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 12,314,943	\$ 12,277,361
Operating grants and contributions	3,577,011	15,795,964
Capital grants and contributions	8,848,622	1,966,238
General revenues:		
Property taxes	42,247,254	39,205,960
Other taxes	26,532,064	25,986,585
Investment income	115,029	112,401
Total revenues	93,634,923	95,344,509
Expenses		
General government	11,392,599	15,671,575
Judicial	6,923,143	6,425,300
Public safety	47,523,540	40,945,461
Public works	10,859,741	11,441,562
Health and welfare	1,122,812	1,248,952
Culture and recreation	5,428,436	4,079,429
Housing and development	2,187,869	2,815,720
Interest on long-term debt	895,855	881,499
Total expenses	86,333,995	83,509,498
Change in net position	7,300,928	11,835,011
Net position, beginning of year, as restated	113,488,513	101,653,502
Net position, end of year	\$ 120,789,441	\$ 113,488,513

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities' total revenues were \$93,634,923 on June 30, 2024, a decrease of \$1,709,586 over the prior year. Spalding County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property tax collections for the year increased slightly and provided 45.12% of total revenues during 2024 as compared to 41.12% in 2023. The net tax digest increased 4.05% over the previous year and the millage rate was reduced to 0315.588 from 16.138. Because of the stable economy sales tax collections increased slightly over the prior year by \$249,282 and provided 9.11% of total revenues during fiscal year 2024 as compared to 13.13% in fiscal year 2023.

At the end of fiscal 2024, governmental activities' total expenses were \$86,333,995 an increase of \$2,824,497, over the prior year. This increase is attributed to general government expenses, public works expenses, major capital improvement expenditures in various county buildings, and the improvements in the Law Enforcement Complex in the prior year.

Key elements of changes from the prior year were in the following functional areas:

- General government expenses decreased \$4,278,976.
- Judicial expenses increased \$497,843.
- Public safety expenses increased \$6,578,079.
- Public works expenses decreased \$581,821.
- Health and welfare expenses decreased \$126,140.
- Culture and recreation increased \$1,349,007.
- Housing and development expenses decreased \$627,851.
- Interest on long-term debt increased \$14,356

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 discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Commissioners.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$60,185,320, an increase of \$4,531,983 in comparison with the prior year. Approximately 39.07% of this amount, or \$23,513,998 constitutes an unassigned fund balance, which is available for spending at the government's discretion. Of the remainder of the fund balance, \$42 is non-spendable prepaid expenditures, \$30,940,223 is restricted for public safety, capital projects, and debt service and \$5,731,057 is assigned for various intended purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund is the chief operating fund of Spalding County. At the end of the current fiscal year, the total fund balance of the General Fund increased by \$5,456,280 to \$25,337,849. This is attributable to increased budgetary oversight by management. The unassigned fund balance of the General Fund increased by \$6,004,227 from the prior year to \$23,522,338. The County's budget year begins July 1st but the tax millage rate to fund the budget is not set until September resulting in tax collections intended to fund the budget due in November or December. The millage rate funding the fiscal 2024 budget was reduced to 15.588 and the net tax digest increased substantially, therefore, the County does not expect to use this appropriation of fund balance during fiscal 2024. 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. The unassigned fund balance on June 30, 2024, represents 36.85% of total general fund expenditures, while the total fund balance represents 39.69% of that same amount.

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 \$8,337,993, which is an increase of \$1,505,810 over the previous year. The primary reason for the increase in fund balance is a combination of an increase in property taxes and Insurance Premium Tax proceeds.

The 2016 SPLOST Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest for the 2016 General Obligation Sales Tax Bonds. At the end of fiscal year 2024, this fund had a restricted fund balance of \$136,663. The bonds were issued in March 2016 with semi-annual interest payments due beginning July 1, 2016, and the first principal payment due in arrears on July 1, 2020, final payment made on July 1, 2024.

The 2024 T-SPLOST Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest for the 2024 General Obligation Transportation Sales Tax Bonds. The bonds were issued in April 2024 with semi-annual interest payments due beginning September 1, 2024, and the first principal payment due in arrears on September 1, 2024. At the end of fiscal year 2024, this fund had a restricted fund balance of \$4,540,480.

The 2016 SPLOST Capital Projects Fund accounts for the financial resources provided by 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 world-class Pickleball complex, a new County animal shelter, and various park improvements, infrastructure, and capital improvements for Spalding County and the cities of Griffin, Orchard Hill and Sunny Side. The 2016 SPLOST also funded the retirement of outstanding indebtedness for Spalding County and the City of Griffin. The final project to be funded with this SPLOST is a competition and therapy aquatic center. At the end of fiscal year 2024, this fund had a restricted fund balance of \$1,163,606.

The 2024 TSPLOST Capital Projects Fund accounts for the financial resources provided by the 2024 General Obligation Transportation Sales Tax Bonds and the 2024 1% Special Purpose Local Option Sales Tax. The 2024 TSPLOST will fund various transportation and resurfacing projects, sidewalk and pedestrian connectivity, and intersection improvements for Spalding County and the City of Griffin. At the end of fiscal year 2024, this fund had a restricted fund balance of \$8,302,822.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 workers' compensation claim settlements. The unrestricted net position of the Workers' Compensation Trust Fund was \$330,211 at the end of fiscal year 2024, an of \$7,292. This is due to an increase in workers' compensation claims payable at the end of the fiscal year.

General Fund Budgetary Highlights

Original budget compared to the final budget. Spalding County typically makes budget amendments throughout the year to allow for lease purchases and lease proceeds and appropriations for any atypical expenditures that may arise. The net differences between the General Fund expenditures original budget and the final amended budget were \$10,112,286 and can be summarized as follows:

- Decrease in general government activities - \$4,549,778 due to the county implementing spending cuts to address budget constraints and prioritize in other areas.
- Increase in public safety functions - \$1,003,890, due primarily to Sheriff wages and repairs to jail complex, animal control wages.
- Increase in public works functions- \$429,473 due to road resurfacing, wages for public works and garage, building maintenance, machinery, and equipment.
- Increase in culture and recreation functions-\$10,988 due to wages, Park projects, and maintenance.

These increases were funded by leases, grants, and management's increased oversight of spending to accommodate the increased personnel expenses.

Final budget compared to actual results. Actual General Fund revenues of \$69,420,079 were less than final budgeted revenues of \$69,363,624 by \$26,455. Spalding County typically budgets 100% of the projected millage rate for property taxes with the knowledge that it will not all be collected in the current year. Property tax collection rates are generally 91% to 95% in the current budget year with the remainder collected in subsequent years. The actual General Fund expenditures amounted to \$63,841,871, which reflects a variance of \$3,376,608 below the final budgeted expenditures of \$67,218,479. This discrepancy is attributed to an additional appropriation designated for mid-year salary increases, capital outlay, and enhanced management oversight regarding spending, prompted by the ongoing uncertainties associated with the Coronavirus pandemic. Furthermore, to enhance competitiveness, the County implemented a new pay scale for all employees at the end of fiscal year 2024, aimed at reorganizing salary structures within the organization.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Capital Asset and Debt Administration

Capital Assets. Spalding County’s investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$102,328,695 (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	Governmental Activities
	2024	2023
Land	\$ 3,413,726	\$ 3,413,726
Construction in progress	12,946,687	7,576,864
Land improvements	4,052,946	4,238,909
Buildings and improvements	23,763,773	24,787,813
Machinery and equipment	15,785,939	14,545,238
Furniture and fixtures	19,052	22,068
Intangibles	133,077	136,786
Infrastructure (roads)	42,213,495	43,445,440
Total	\$ 102,328,695	\$ 98,166,844

Overall, governmental capital assets increased by a net amount of \$4,164,851 during 2024. This increase in capital assets is primarily due to the completion of a new aquatic center which opened in the Spring of 2024. Depreciation expense of capital assets amounted to \$5,507,657.

Total depreciable governmental capital assets added during 2024 amounted to \$3,954,411. Major capital asset events during the current fiscal year included the following:

- Purchase of road machinery, vehicles, and equipment
- Various road and infrastructure improvements
- Complete construction of aquatic center

Additional information on the County’s capital assets can be found in Note 6 on pages 52 – 54 of this report.

Long-term Debt. At the end of the current fiscal year, Spalding County had \$8,507,770 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 the 2024 Transportation Special Purpose Local Option Sales Tax and is backed by the full faith and credit of the government.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$253,049,587, which is significantly more than Spalding County's outstanding general obligation debt.

Spalding County's rating for Moody's Investor Service was upgraded from an "A1" to "Aa3" in March 2024 for general obligation debt. Additional information regarding the County's long-term debt can be found in Note 7 on pages 55 – 62 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect Spalding County and were considered in developing the fiscal 2024 budget:

- The unemployment rate for Spalding County is currently 3.7%, which is the same rate as one year ago. The unemployment rate for the State of Georgia on June 30, 2024, is 3.4%.
- Spalding County's sales tax revenues have steadily increased in each of the last four fiscal years and during fiscal year 2024 Title Ad Valorem Tax revenues increased significantly over the prior year. The County is hopeful this positive revenue trend will continue.
- Spalding County implemented a new defined benefit pension plan with a 2% multiplier on January 1, 2020, which significantly increased the County's projected annual pension contribution.
- The cost of employee health insurance increased significantly for FY 2024.

All these factors were taken into consideration when preparing the 2024 budget. This action was taken as an additional measure to mitigate the impact of increased employee salaries and benefits in the 2024 fiscal year budget and necessary capital improvements.

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 Deputy County Manager of Administration, Spalding County, P.O. Box 1087, Griffin, Georgia 30224.

BASIC FINANCIAL STATEMENTS

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2024

ASSETS	Primary Government	Component Units		
	Governmental	Board of	Development	Water
	Activities	Health	Authority	Authority
Cash and cash equivalents	\$ 64,248,916	\$ 1,972,726	\$ 1,178,304	\$ 15,843,536
Investments	2,781,139	495,639	2,500,000	-
Property taxes receivable	1,553,345	-	-	-
Accounts receivable	379,795	-	-	1,569,741
Interest receivable	-	-	11,805	-
Prepays	42	-	-	-
Due from other governments	1,742,875	-	-	-
Due from primary government	-	-	-	2,040
Due from component unit	44,013	-	-	-
Restricted assets:				
Bond sinking fund	-	-	-	1,141,386
Fair value of interest rate swap	61,937	-	-	-
Net OPEB asset	-	109,665	-	-
Capital assets:				
Right-to-use lease, net of accumulated amortization	457,996	-	-	-
Non-depreciable	16,360,413	-	8,679,611	57,513
Depreciable, net of accumulated depreciation	85,968,282	24,560	347,703	23,297,667
Total assets	173,598,753	2,602,590	12,717,423	41,911,883
DEFERRED OUTFLOWS OF RESOURCES				
Pension	4,932,506	325,446	-	-
Other post-employment benefit	1,792,017	141,808	-	-
Total deferred outflows of resources	6,724,523	467,254	-	-
LIABILITIES				
Accounts payable	3,454,830	1,940	68	24,990
Retainage payable	498,680	-	-	-
Accrued liabilities	674,219	-	-	9,918
Accrued interest payable	141,908	-	-	66,096
Unearned revenue	2,925,039	-	-	-
Due to other governments	384,951	-	-	-
Due to primary government	-	-	-	44,013
Due to component unit	2,040	-	-	-
Claims payable due within one year	370,410	-	-	-
Claims payable due in more than one year	1,928,792	-	-	-
Leases due within one year	126,711	-	-	-
Leases due in more than one year	478,125	-	-	-
Finance purchases due within one year	1,098,799	-	-	-
Finance purchases due in more than one year	6,188,903	-	-	-
Bonds payable due within one year	2,000,000	-	-	1,005,000
Bonds payable due in more than one year	6,507,770	-	-	4,556,252
Compensated absences due within one year	699,482	98,124	12,772	21,748
Compensated absences due in more than one year	1,049,224	61,153	-	14,498
Certificates of participation due in more than one year	2,500,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due within one year	275,000	-	-	-
Due to Griffin-Spalding County Airport Authority, due in more than one year	1,520,000	-	-	-
Landfill due within one year	137,060	-	-	-
Landfill due in more than one year	101,247	-	-	-
Total other post-employment benefit liability due within one year	66,438	-	-	-
Total other post-employment benefit liability due in more than one year	3,423,293	-	-	-
Net other post-employment benefit liability due in more than one year	-	66,379	-	-
Net pension liability due in more than one year	21,505,253	1,482,807	-	-
Total liabilities	58,058,174	1,710,403	12,840	5,742,515
DEFERRED INFLOWS OF RESOURCES				
Pension	216,272	40,382	-	-
Other post-employment benefit	1,197,452	77,064	-	-
Accumulated increase in fair value of hedging activities	61,937	-	-	-
Total deferred inflows of resources	1,475,661	117,446	-	-
NET POSITION				
Net investment in capital assets	85,169,029	24,560	9,027,314	17,793,928
Restricted for:				
Grant purposes	239,146	-	-	-
Judicial	579,816	-	-	-
Public safety	6,518,851	-	-	-
Capital projects	15,578,829	-	-	-
Debt service	5,629,941	-	-	-
Housing and development	90,831	-	-	-
Health and welfare	379,575	-	-	-
Other purposes	-	422,681	-	-
Unrestricted	6,603,423	794,754	3,677,269	18,375,440
Total net position	\$ 120,789,441	\$ 1,241,995	\$ 12,704,583	\$ 36,169,368

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

SPALDING COUNTY, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 11,392,599	\$ 1,097,105	\$ 44,013	\$ 174,577
Judicial	6,923,143	2,848,183	-	-
Public safety	47,523,540	6,781,516	360,455	1,481
Public works	10,859,741	334,566	2,050,143	8,672,564
Health and welfare	1,122,812	-	954,256	-
Culture and recreation	5,428,436	578,223	168,144	-
Housing and development	2,187,869	675,350	-	-
Interest on long-term debt	895,855	-	-	-
Total primary government	<u>\$ 86,333,995</u>	<u>\$ 12,314,943</u>	<u>\$ 3,577,011</u>	<u>\$ 8,848,622</u>
Component units:				
Board of Health	\$ 1,638,167	\$ 543,632	\$ 1,578,664	\$ -
Development Authority	631,776	98,700	450,000	-
Water Authority	8,984,400	10,690,361	-	-
Total component units	<u>\$ 11,254,343</u>	<u>\$ 11,332,693</u>	<u>\$ 2,028,664</u>	<u>\$ -</u>

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 Governmental Activities	Board of Health	Component Units Development Authority	Water Authority
\$ (10,076,904)	\$ -	\$ -	\$ -
(4,074,960)	-	-	-
(40,380,088)	-	-	-
197,532	-	-	-
(168,556)	-	-	-
(4,682,069)	-	-	-
(1,512,519)	-	-	-
(895,855)	-	-	-
<u>(61,593,419)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	484,129	-	-
-	-	(83,076)	-
-	-	-	1,705,961
<u>-</u>	<u>484,129</u>	<u>(83,076)</u>	<u>1,705,961</u>
42,247,254	-	-	-
386,584	-	-	-
3,892,669	-	-	-
17,069,359	-	-	-
492,334	-	-	-
3,561,167	-	-	-
306,931	-	-	-
823,020	-	-	-
115,029	13,427	142,266	320,361
<u>68,894,347</u>	<u>13,427</u>	<u>142,266</u>	<u>320,361</u>
7,300,928	497,556	59,190	2,026,322
113,488,513	744,439	12,645,393	34,143,046
<u>\$ 120,789,441</u>	<u>\$ 1,241,995</u>	<u>\$ 12,704,583</u>	<u>\$ 36,169,368</u>

SPALDING COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

	General	Fire District	2016 SPLOST Debt Service	2022 TSPLOST Debt Service
ASSETS				
Cash and cash equivalents	\$ 27,832,045	\$ 8,466,312	\$ 136,663	\$ 4,201,968
Investments	-	-	-	-
Property taxes receivable, net	1,271,063	282,282	-	-
Accounts receivable	85,817	-	-	8,555
Prepays	42	-	-	-
Due from other governments	922,525	-	-	714,908
Due from component unit	-	-	-	-
Due from other funds	28,337	62,379	-	-
Total assets	<u>\$ 30,139,829</u>	<u>\$ 8,810,973</u>	<u>\$ 136,663</u>	<u>\$ 4,925,431</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 3,218,737	\$ 97,506	-	-
Retainage payable	-	-	-	-
Accrued liabilities	569,533	82,933	-	-
Due to other funds	77,246	-	-	-
Due to other governments	-	-	-	384,951
Due to component unit	2,040	-	-	-
Unearned revenue	-	12,776	-	-
Total liabilities	<u>3,867,556</u>	<u>193,215</u>	<u>-</u>	<u>384,951</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	934,424	239,765	-	-
Total deferred inflows of resources	<u>934,424</u>	<u>239,765</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Prepays	42	-	-	-
Restricted for:				
Grant purposes	-	-	-	-
Judicial	-	-	-	-
Public safety	-	4,659,913	-	-
Capital projects	-	-	-	-
Debt service	-	-	136,663	4,540,480
Housing and development	-	-	-	-
Health and welfare	-	-	-	-
Assigned for:				
General government	471,816	-	-	-
Public safety	174,505	3,718,080	-	-
Public works	74,269	-	-	-
Culture and recreation	81,897	-	-	-
Housing and development	174	-	-	-
Capital projects	-	-	-	-
Sales taxes	999,465	-	-	-
Tricentennial Celebration	1,986	-	-	-
Memorial Gifts	11,357	-	-	-
Unassigned	23,522,338	-	-	-
Total fund balances	<u>25,337,849</u>	<u>8,377,993</u>	<u>136,663</u>	<u>4,540,480</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,139,829</u>	<u>\$ 8,810,973</u>	<u>\$ 136,663</u>	<u>\$ 4,925,431</u>

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.
- Leased assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.
- Some receivables 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.
- Deferred inflows of resources related to other post-employment benefits are not available in the current period and, therefore, are not reported in the funds.
- The fair market value of an effective hedging instrument is not a current financial resource used in governmental activities and, therefore, is not reported in the funds.
- Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.
- 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.

2016 SPLOST Capital Projects	2022 TSPLOST Capital Projects	American Rescue Plan Act ("ARPA")	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,655,621	\$ 8,267,903	\$ 3,057,500	\$ 9,846,429	\$ 63,464,441
-	-	-	2,013,479	2,013,479
-	-	-	-	1,553,345
6,665	34,919	-	230,998	366,954
-	-	-	-	42
-	-	-	105,442	1,742,875
-	-	44,013	-	44,013
-	-	-	32,361	123,077
<u>\$ 1,662,286</u>	<u>\$ 8,302,822</u>	<u>\$ 3,101,513</u>	<u>\$ 12,228,709</u>	<u>\$ 69,308,226</u>
\$ -	\$ -	\$ -	\$ 24,468	\$ 3,340,711
498,680	-	-	-	498,680
-	-	-	21,753	674,219
-	-	-	45,831	123,077
-	-	-	-	384,951
-	-	-	-	2,040
-	-	2,912,263	-	2,925,039
<u>498,680</u>	<u>-</u>	<u>2,912,263</u>	<u>92,052</u>	<u>7,948,717</u>
-	-	-	-	1,174,189
-	-	-	-	1,174,189
-	-	-	-	42
-	-	189,250	49,896	239,146
-	-	-	579,816	579,816
-	-	-	1,858,938	6,518,851
1,163,606	8,302,822	-	7,893,727	17,360,155
-	-	-	1,094,706	5,771,849
-	-	-	90,831	90,831
-	-	-	379,575	379,575
-	-	-	-	471,816
-	-	-	-	3,892,585
-	-	-	-	74,269
-	-	-	-	81,897
-	-	-	-	174
-	-	-	197,508	197,508
-	-	-	-	999,465
-	-	-	-	1,986
-	-	-	-	11,357
-	-	-	(8,340)	23,513,998
<u>1,163,606</u>	<u>8,302,822</u>	<u>189,250</u>	<u>12,136,657</u>	<u>60,185,320</u>
<u>\$ 1,662,286</u>	<u>\$ 8,302,822</u>	<u>\$ 3,101,513</u>	<u>\$ 12,228,709</u>	
				102,328,695
				457,996
				1,174,189
				(48,997,769)
				4,932,506
				(216,272)
				1,792,017
				(1,197,452)
				61,937
				(61,937)
				330,211
				<u>\$ 120,789,441</u>

SPALDING COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Fire District</u>	<u>2016 SPLOST Debt Service</u>	<u>2022 TSPLOST Debt Service</u>
REVENUES				
Property taxes	\$ 35,976,515	\$ 6,179,447	\$ -	\$ -
Alcoholic beverage taxes	386,584	-	-	-
Vehicle taxes	3,892,669	-	-	-
Sales taxes	8,533,108	-	18,084	6,932,154
Other taxes	1,236,697	3,639,824	-	-
Licenses and permits	637,899	-	-	-
Intergovernmental	10,180,741	62,822	-	-
Charges for services	4,475,304	-	-	-
Court fees, fines and forfeitures	1,965,774	-	-	-
Investment income	95,310	-	5,868	84,910
Contributions and donations	168,144	-	-	-
Rentals	41,349	-	-	-
Other	1,829,985	297,633	-	-
Total revenues	<u>69,420,079</u>	<u>10,179,726</u>	<u>23,952</u>	<u>7,017,064</u>
EXPENDITURES				
Current:				
General government	9,327,769	-	-	-
Judicial	6,410,856	-	-	-
Public safety	30,925,760	7,468,613	-	-
Public works	8,574,764	-	-	-
Health and welfare	492,645	-	-	-
Culture and recreation	4,499,548	-	-	-
Housing and development	1,780,036	-	-	-
Capital outlay	-	2,701,058	-	-
Debt service:				
Principal	1,552,388	427,801	-	1,930,000
Interest	278,105	96,933	-	451,750
Total expenditures	<u>63,841,871</u>	<u>10,694,405</u>	<u>-</u>	<u>2,381,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,578,208</u>	<u>(514,679)</u>	<u>23,952</u>	<u>4,635,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	376,050	-	-	-
Transfers out	(1,445,730)	(210,262)	-	(2,987,520)
Financed purchases issued	800,968	2,230,751	-	-
Leases issued	146,784	-	-	-
Total other financing sources (uses)	<u>(121,928)</u>	<u>2,020,489</u>	<u>-</u>	<u>(2,987,520)</u>
Net change in fund balances	5,456,280	1,505,810	23,952	1,647,794
FUND BALANCES, beginning of year	<u>19,881,569</u>	<u>6,872,183</u>	<u>112,711</u>	<u>2,892,686</u>
FUND BALANCES, end of year	<u>\$ 25,337,849</u>	<u>\$ 8,377,993</u>	<u>\$ 136,663</u>	<u>\$ 4,540,480</u>

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

2016 SPLOST Capital Projects	2022 TSPLOST Capital Projects	American Rescue Plan Act ("ARPA")	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 42,155,962
-	-	-	-	386,584
-	-	-	-	3,892,669
-	1,586,013	-	-	17,069,359
-	-	-	306,931	5,183,452
-	-	-	-	637,899
-	-	44,013	1,034,512	11,322,088
-	-	-	2,640,911	7,116,215
-	-	-	723,721	2,689,495
219,582	32,665	30,894	164,883	634,112
-	-	-	-	168,144
-	-	-	-	41,349
-	-	-	118,685	2,246,303
<u>219,582</u>	<u>1,618,678</u>	<u>74,907</u>	<u>4,989,643</u>	<u>93,543,631</u>
-	-	-	136,274	9,464,043
-	-	-	352,122	6,762,978
-	-	-	1,795,539	40,189,912
-	-	-	-	8,574,764
-	-	-	619,372	1,112,017
-	-	-	-	4,499,548
-	-	-	382,051	2,162,087
5,817,384	5,702,947	-	-	14,221,389
-	-	-	267,500	4,177,689
-	-	-	198,936	1,025,724
<u>5,817,384</u>	<u>5,702,947</u>	<u>-</u>	<u>3,751,794</u>	<u>92,190,151</u>
<u>(5,597,802)</u>	<u>(4,084,269)</u>	<u>74,907</u>	<u>1,237,849</u>	<u>1,353,480</u>
-	2,987,520	-	1,506,730	4,870,300
-	-	-	(226,788)	(4,870,300)
-	-	-	-	3,031,719
-	-	-	-	146,784
-	<u>2,987,520</u>	<u>-</u>	<u>1,279,942</u>	<u>3,178,503</u>
(5,597,802)	(1,096,749)	74,907	2,517,791	4,531,983
<u>6,761,408</u>	<u>9,399,571</u>	<u>114,343</u>	<u>9,618,866</u>	<u>55,653,337</u>
<u>\$ 1,163,606</u>	<u>\$ 8,302,822</u>	<u>\$ 189,250</u>	<u>\$ 12,136,657</u>	<u>\$ 60,185,320</u>

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, 2024**

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

Net change in fund balances - total governmental funds	\$ 4,531,983
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 and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period.	4,090,387
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(759,337)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	91,292
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.	1,320,863
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.	(1,981,552)
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.	<u>7,292</u>
Change in net position - governmental activities	<u>\$ 7,300,928</u>

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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 44,383,245	\$ 44,383,245	\$ 35,976,515	\$ (8,406,730)
Alcoholic beverage taxes	414,500	414,500	386,584	(27,916)
Vehicle taxes	3,447,000	3,447,000	3,892,669	445,669
Sales taxes	8,300,000	8,300,000	8,533,108	233,108
Other taxes	1,587,500	1,587,500	1,236,697	(350,803)
Licenses and permits	663,000	663,000	637,899	(25,101)
Intergovernmental	1,246,000	1,246,000	10,180,741	8,934,741
Charges for services	6,288,229	5,485,229	4,475,304	(1,009,925)
Court fees, fines and forfeitures	1,873,100	1,873,100	1,965,774	92,674
Investment income	-	-	95,310	95,310
Contributions and donations	-	-	168,144	168,144
Rentals	49,000	49,000	41,349	(7,651)
Other	1,945,050	1,945,050	1,829,985	(115,065)
Total revenues	<u>70,196,624</u>	<u>69,393,624</u>	<u>69,420,079</u>	<u>26,455</u>
EXPENDITURES				
Current				
General government:				
Board of commissioners	732,335	732,335	533,169	199,166
Board of elections	788,965	788,965	617,066	171,899
Administration	417,845	417,845	386,575	31,270
Finance	195,083	195,083	180,950	14,133
Information systems	181,148	181,148	111,504	69,644
Human resources	258,999	258,999	370,568	(111,569)
Tax commissioner	1,226,521	1,226,521	1,185,394	41,127
Tax assessors	902,957	902,957	714,387	188,570
Construction and maintenance	621,615	621,615	566,565	55,050
Janitorial services	146,174	146,174	142,861	3,313
Public information officer	122,239	122,239	820,692	(698,453)
Tornado disaster	-	14,661	361,673	(347,012)
Impact fee	-	-	23,604	(23,604)
General appropriations	9,654,781	5,090,342	3,312,761	1,777,581
Total general government	<u>15,248,662</u>	<u>10,698,884</u>	<u>9,327,769</u>	<u>1,371,115</u>
Judicial:				
Superior court	274,600	274,600	239,020	35,580
Griffin judicial circuit	500,632	500,632	450,217	50,415
Clerk of court	1,256,475	1,256,475	1,167,067	89,408
District attorney	652,190	652,190	687,742	(35,552)
State court	982,872	967,872	993,496	(25,624)
Accountability court	191,164	191,164	184,176	6,988
Solicitor	712,453	712,453	593,200	119,253
Magistrate court	1,166,064	1,166,064	1,166,453	(389)
Probate court	342,447	342,447	330,733	11,714
Public defender	138,785	151,561	107,720	43,841
Public defender circuit	491,032	491,032	491,032	-
Total judicial	<u>6,708,714</u>	<u>6,706,490</u>	<u>6,410,856</u>	<u>295,634</u>

(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, 2024

EXPENDITURES (CONTINUED)	Budget		Actual	Variance With Final Budget
	Original	Final		
Current (Continued)				
Public safety:				
Sheriff	\$ 2,245,932	\$ 2,245,932	\$ 831,364	\$ 1,414,568
Victim services	97,728	97,728	77,528	20,200
Warrant division	1,705,250	1,705,250	1,408,883	296,367
Criminal investigation division	1,810,823	1,811,154	1,686,731	124,423
Uniform patrol division	4,844,897	4,851,679	5,178,882	(327,203)
Jail	10,757,269	11,725,983	10,957,339	768,644
Narcotics task force	1,414,777	1,414,777	1,517,815	(103,038)
Correctional institution	8,200,350	8,210,769	6,749,979	1,460,790
Adult probation	471,817	486,817	412,235	74,582
Juvenile probation	782,559	782,559	759,660	22,899
Coroner	91,553	91,553	92,259	(706)
800 MHz communication	572,880	572,880	590,237	(17,357)
Animal control	683,670	686,314	609,808	76,506
Homeland security	91,535	91,535	53,040	38,495
Total public safety	33,771,040	34,774,930	30,925,760	3,849,170
Public works:				
Public works	5,503,089	5,932,562	4,680,435	1,252,127
TSPLOST	-	-	2,504,229	(2,504,229)
Solid waste collection	1,089,679	1,089,679	966,226	123,453
Garage	590,759	590,759	423,874	166,885
Total public works	7,183,527	7,613,000	8,574,764	(961,764)
Health and welfare:				
Health	463,192	463,192	443,422	19,770
Welfare	55,654	55,654	49,223	6,431
Total health and welfare	518,846	518,846	492,645	26,201
Culture and recreation:				
Recreation	1,586,178	1,586,178	1,337,022	249,156
Senior citizens' bus	26,219	26,219	14,276	11,943
Boost grant	86,409	86,409	82,206	4,203
Parks	2,639,606	2,650,594	2,543,027	107,567
Acquatic Center	-	-	296,014	(296,014)
Sunnyside	-	-	26,023	(26,023)
Libraries	200,980	200,980	200,980	-
Total culture and recreation	4,539,392	4,550,380	4,499,548	50,832
Housing and development:				
Cooperative extension service	205,494	205,494	177,079	28,415
Community development	1,449,295	1,449,295	967,597	481,698
Code enforcement	246,954	251,160	185,360	65,800
Development Authority	450,000	450,000	450,000	-
Total housing and development	2,351,743	2,355,949	1,780,036	575,913

(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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued)				
Debt service:				
Principal	\$ -	\$ -	\$ 1,552,388	\$ (1,552,388)
Interest	-	-	278,105	(278,105)
Total debt service	-	-	1,830,493	(1,830,493)
Total expenditures	70,321,924	67,218,479	63,841,871	3,376,608
Excess (deficiency) of revenues over (under) expenditures	(125,300)	2,175,145	5,578,208	3,403,063
OTHER FINANCING SOURCES (USES)				
Transfers in	125,300	125,300	376,050	250,750
Transfers out	-	-	(1,445,730)	(1,445,730)
Financed purchases issued	-	-	800,968	800,968
Leases issued	-	-	146,784	146,784
Total other financing sources (uses)	125,300	125,300	(121,928)	(247,228)
Net change in fund balances	-	2,300,445	5,456,280	3,155,835
FUND BALANCES, beginning of year	19,881,569	19,881,569	19,881,569	-
FUND BALANCES, end of year	<u>\$ 19,881,569</u>	<u>\$ 22,182,014</u>	<u>\$ 25,337,849</u>	<u>\$ 3,155,835</u>

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, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,571,820	\$ 5,571,820	\$ 6,179,447	\$ 607,627
Other taxes	3,490,000	3,490,000	3,639,824	149,824
Intergovernmental	44,334	44,334	62,822	18,488
Other	-	-	297,633	297,633
Total revenues	<u>9,106,154</u>	<u>9,106,154</u>	<u>10,179,726</u>	<u>1,073,572</u>
EXPENDITURES				
Current:				
Public safety	8,645,259	8,693,887	7,468,613	1,225,274
Capital outlay	-	3,669,452	2,701,058	968,394
Debt service:				
Principal	295,135	295,435	427,801	(132,366)
Interest	104,760	104,760	96,933	7,827
Total expenditures	<u>9,045,154</u>	<u>12,763,534</u>	<u>10,694,405</u>	<u>2,069,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,000</u>	<u>(3,657,380)</u>	<u>(514,679)</u>	<u>3,142,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(61,000)	(61,000)	(210,262)	(149,262)
Financed purchases issued	-	-	2,230,751	2,230,751
Total other financing sources (uses)	<u>(61,000)</u>	<u>(61,000)</u>	<u>2,020,489</u>	<u>2,081,489</u>
Net change in fund balances	-	(3,718,380)	1,505,810	5,224,190
FUND BALANCES, beginning of year	<u>6,872,183</u>	<u>6,872,183</u>	<u>6,872,183</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 6,872,183</u>	<u>\$ 3,153,803</u>	<u>\$ 8,377,993</u>	<u>\$ 5,224,190</u>

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

SPALDING COUNTY, GEORGIA

**AMERICAN RESCUE PLAN ACT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 44,013	\$ 44,013
Investment income	-	-	30,894	30,894
Total revenues	-	-	74,907	74,907
Net change in fund balances	-	-	74,907	74,907
FUND BALANCES, beginning of year	114,343	114,343	114,343	-
FUND BALANCES, end of year	\$ 114,343	\$ 114,343	\$ 189,250	\$ 74,907

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

SPALDING COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Governmental Activities - Internal Service Funds Workers' Compensation
ASSETS	
CURRENT ASSETS	
Cash	\$ 784,475
Investments	767,660
Accounts receivable	12,841
Total current assets	<u>1,564,976</u>
Total assets	<u>1,564,976</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	114,119
Claims payable	370,410
Total current liabilities	<u>484,529</u>
NON-CURRENT LIABILITIES	
Claims payable, net of current portion	<u>750,236</u>
Total non-current liabilities	<u>750,236</u>
Total liabilities	<u>1,234,765</u>
NET POSITION	
Unrestricted	<u>330,211</u>
Total net position	<u>\$ 330,211</u>

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, 2024**

	Governmental Activities - Internal Service Funds Workers' Compensation
OPERATING REVENUES	
Contributions	\$ 900,987
Total operating revenues	<u>900,987</u>
OPERATING EXPENSES	
Administration and other costs	201,607
Claims paid	745,003
Total operating expenses	<u>946,610</u>
Operating loss	<u>(45,623)</u>
NON-OPERATING INCOME	
Interest income	52,915
Total non-operating income	<u>52,915</u>
Change in net position	7,292
NET POSITION, beginning of year	<u>322,919</u>
NET POSITION, end of year	<u>\$ 330,211</u>

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, 2024**

	Governmental Activities Internal Service Funds Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	\$ 900,987
Payments for insurance claims	(401,910)
Payments to suppliers for services provided	(201,607)
	<hr/>
Net cash provided by operating activities	297,470
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	476,474
Net cash provided by investing activities	476,474
	<hr/>
Net change in cash and cash equivalents	773,944
	<hr/>
Cash and cash equivalents, beginning of year	10,531
	<hr/>
Cash and cash equivalents, end of year	\$ 784,475
	<hr/> <hr/>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (45,623)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Increase in claims payable	343,093
	<hr/>
Net cash provided by operating activities	\$ 297,470
	<hr/> <hr/>

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

SPALDING COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

		<u>Custodial Funds</u>
	ASSETS	
Cash		\$ 3,842,577
Taxes receivable		2,897,215
	Total assets	<u>\$ 6,739,792</u>
	LIABILITIES	
Due to others		<u>\$ 5,213,901</u>
	NET POSITION	
Restricted for individuals, organizations and other governments		<u>\$ 1,525,891</u>

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

SPALDING COUNTY, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

		<u>Custodial Funds</u>
	ADDITIONS	
Taxes collected		\$ 65,032,648
Fines and fees collected		3,979,330
Total additions		<u>69,011,978</u>
	DEDUCTIONS	
Taxes disbursed		65,039,232
Fines and fees disbursed		3,812,635
Total deductions		<u>68,851,867</u>
Change in net position		160,111
Net position, beginning of year		<u>1,365,780</u>
Net position, end of year		<u>\$ 1,525,891</u>

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

NOTES TO FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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SPALDING COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 Board of Health, 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. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, 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 the 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 has the ability to modify appointed members of the Water Authority governing body at will. The Water Authority is presented as an enterprise fund type component unit. There are no separately issued financial statements available for the Water Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Board of Health 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 Board of Health which is administered by the appointed Board of the Board of Health. The Board of Health is presented as a governmental fund type component unit.

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

The Development Authority is responsible for promoting industrial and commercial development within the City of Griffin and Spalding County. The Development Authority is responsible for making its own operating decisions. The Development Authority's budget must be approved by the County. The 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 the County; therefore, the Development Authority is fiscally dependent on the 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.

NOTES TO FINANCIAL STATEMENTS

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. 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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** is a special revenue fund that 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 **2016 Special Purpose Local Option Sales Tax ("SPLOST") Debt Service Fund** accounts for the accumulation of resources for the payment of debt principal and interest for the 2016 General Obligation Sales Tax Bonds.

The **2016 Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects Fund** accounts for the financial resources provided and subsequently expended from the 2016 General Obligation Sales Tax Bonds and the 2016 1% SPLOST.

The **2022 Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Capital Projects Fund** accounts for the financial resources provided from the 2022 General Obligation Transportation Sales Tax Bonds and the 2022 1% SPLOST.

The **2022 Transportation Special Purpose Local Option Sales ("TSPLOST") Debt Service Fund** accounts for the accumulation of resources for the payment of debt principal and interest for the 2022 General Obligation Transportation Sales Tax Bonds.

The **American Rescue Plan Act ("ARPA") Fund** is a special revenue fund that accounts for the financial resources provided and subsequently expended from the ARPA grant received from the federal government.

Additionally, the County reports the following fund types:

The **Internal Service Fund** accounts for the County's self-insured Workers' Compensation program.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Custodial Funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Custodial 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.

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".

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

G. Capital Assets

Capital assets, which include property, plant, equipment, right-to-use lease assets, 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.

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

<u>Asset Category</u>	<u>Years</u>
Land improvements	30 – 50
Buildings and improvements	15 – 100
Machinery and equipment	5 – 15
Furniture and fixtures	10
Intangibles	50
Infrastructure	50
Right-to-use lease assets	5

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Leases

Lessee. The County is a lessee for noncancellable leases of equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in its financial statements. The County recognizes all noncancellable lease liabilities. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The County uses the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or can be imputed, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with current and non-current liabilities on the Statement of Net Position.

Lease assets are reported with other capital assets and lease liabilities are reported with current and non-current liabilities on the Statement of Net Position.

I. 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 assets 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 Other 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

Changes in actuarial assumptions, which adjust the net pension liability and 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. Experienced losses result from periodic studies by the County's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed. These experienced losses are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. Contributions made subsequent to the measurement date are deferred and recognized as OPEB expense in future years. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

In addition to liabilities, the Statement of Net Position 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 assets that applies to a 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. Other items relate to the County's Retirement Plan and OPEB Plan and the recording of changes in its net pension liability and total OPEB 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 and OPEB 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 inflows of resources and are amortized into OPEB expense over the expected remaining service lives of plan members. Additionally, the County has unavailable revenues that arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes due to the period of unavailability, which will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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.

L. 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 and deferred inflows of resources 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:

- **Non-spendable** – Fund balances are reported as non-spendable 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance (Continued) –

- **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.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

N. 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.

NOTES TO FINANCIAL STATEMENTS

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	\$ (8,070,000)
Plus: Issuance premium (to be amortized against interest expense)	(437,770)
Certificates of participation	(2,500,000)
Financed purchase agreements	(7,287,702)
Lease liability	(604,836)
Due to Griffin-Spalding County Airport Authority	(1,795,000)
Landfill post-closure costs	(238,307)
Net pension liability	(21,505,253)
Total OPEB liability	(3,489,731)
Compensated absences	(1,748,706)
Claims payable	(1,178,556)
Accrued interest	(141,908)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (48,997,769)

NOTES TO FINANCIAL STATEMENTS

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, “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	\$	9,735,992
Amortization expense		(137,948)
Depreciation expense		(5,507,657)
		(5,507,657)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	4,090,387

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:

Leases issued	\$	(146,785)
Financed purchase issued		(3,031,718)
Intergovernmental payable reduction		267,500
Premium on bond issuance amortization		243,849
Principal repayments:		
Financed purchase		954,235
Leases		1,025,954
Bonds payable		1,930,000
Landfill post-closure costs		77,828
		77,828
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	1,320,863

NOTES TO FINANCIAL STATEMENTS

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	\$ (181,609)
Claims payable	(1,178,556)
Accrued interest	76,954
Total OPEB liability and related deferred inflows and outflows	(237,362)
Net pension liability and related deferred inflows and outflows	(460,979)
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (1,981,552)

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.

NOTES TO FINANCIAL STATEMENTS

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 fiscal year ended June 30, 2024, expenditures exceeded budget, as follows:

Fund or Department	Excess
General Fund:	
Human resources	\$ 111,569
Public information officer	698,453
Impact fee	23,604
Tornado disaster	347,012
District attorney	35,552
State court	25,624
Magistrate court	389
Uniform patrol division	327,203
Narcotics task force	103,038
Coroner	706
800 MHz communication	17,357
TSPLOST	2,504,229
Acquatic Center	296,014
Sunnyside	26,023
Principal	1,552,388
Interest	278,105
Fire Fund:	
Debt service- principal	132,366
Law Library:	
Judicial	121,700
Impact Fees:	
General government	29,595

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess of Expenditures Over Appropriations (Continued)

The over expenditures in the General, Fire, Law Library and Impact Fee funds will be funded by additional revenues under expenditures in other departments and future revenues and transfers.

C. Deficit Fund Balance/Net Position

The CSBG-CARES Fund has a deficit fund balance at June 30, 2024 of \$8,340. The fund deficit will be reduced through transfers from the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2024, are summarized as follows:

Balances per statement of net position:

Cash and cash equivalents - Primary Government	\$ 64,248,916
Cash and cash equivalents - Water Authority	15,843,536
Investments - Primary Government	2,781,139
Restricted assets:	
Water Authority - Bond sinking fund	1,141,386
Cash - Custodial funds	3,842,577
	<u>\$ 87,857,554</u>

Balances by type:

Cash deposited with financial institutions	\$ 85,076,415
Mutual bond funds	767,660
Guaranteed investment contract	2,013,479
	<u>\$ 87,857,554</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued).

At June 30, 2024, the County had the following investments:

Investment Type	Fair Value	Investment maturities (in years)		
		Less than 1 yr	1 - 5 years	5-10 years
Mutual fund bonds	\$ 767,660	\$ 767,660	\$ -	\$ -
Guaranteed investment contract	2,013,479	-	-	2,013,479
Total investments	<u>\$ 2,781,139</u>	<u>\$ 767,660</u>	<u>\$ -</u>	<u>\$ 2,013,479</u>

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, 2024:

Investment	Level 1	Level 2	Level 3	Fair Value
Mutual fund bonds	\$ 767,660	\$ -	\$ -	\$ 767,660
Total investments measured at fair value	<u>\$ 767,660</u>	<u>\$ -</u>	<u>\$ -</u>	767,660
Investments not subject to level disclosure:				
Guaranteed investment contract				2,013,479
Total investments				<u>\$ 2,781,139</u>

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2024, 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.”) §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, 2024, for the County’s individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Fire District</u>	<u>2016 SPLOST Capital Projects</u>	<u>2022 TSPLOST Capital Projects</u>
Receivables:				
Taxes	\$ 2,180,029	\$ 282,282	\$ -	\$ -
Accounts	85,817	-	6,665	34,919
Due from other governments	922,525	-	-	-
Gross receivables	<u>3,188,371</u>	<u>282,282</u>	<u>6,665</u>	<u>34,919</u>
Less: allowance for uncollectibles	908,966	-	-	-
Net total receivables	<u>\$ 2,279,405</u>	<u>\$ 282,282</u>	<u>\$ 6,665</u>	<u>\$ 34,919</u>
	<u>2022 TSPLOST Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>	<u>Internal Service Fund</u>
Receivables:				
Taxes	\$ -	\$ -	\$ 2,462,311	\$ -
Accounts	8,555	230,998	366,954	12,841
Due from other governments	714,908	105,442	1,742,875	-
Gross receivables	<u>723,463</u>	<u>336,440</u>	<u>4,572,140</u>	<u>12,841</u>
Less: allowance for uncollectibles	-	-	908,966	-
Net total receivables	<u>\$ 723,463</u>	<u>\$ 336,440</u>	<u>\$ 3,663,174</u>	<u>\$ 12,841</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

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, 2023, upon which the fiscal year 2024 levy was based, was the gross digest amount of \$2,568,802,437 (40% of the estimated market value of \$6,422,006,093).

The tax billing cycle for fiscal year 2024 is as follows:

Levy date	October 11, 2023
Tax bills mailed	November 15, 2023
Payment due date	January 19, 2024
Delinquency date	January 20, 2024
Lien date	March 21, 2024

The distribution of the County's levy (tax rate per \$1,000 assessed value) as of June 30, 2024 is as follows:

General government	15.588 mills
Fire district	3.482 mills
School system	16.742 mills

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 3,413,726	\$ -	\$ -	\$ -	\$ 3,413,726
Construction in progress	7,576,864	5,715,067	-	(345,244)	12,946,687
Total	<u>10,990,590</u>	<u>5,715,067</u>	<u>-</u>	<u>(345,244)</u>	<u>16,360,413</u>
Capital assets, being depreciated:					
Land improvements	7,449,700	-	-	-	7,449,700
Building improvements	50,589,781	-	-	-	50,589,781
Machinery and equipment	43,772,020	3,954,441	(20,683)	-	47,705,778
Furniture and fixtures	105,326	-	-	-	105,326
Intangibles	621,715	-	-	-	621,715
Infrastructure	98,829,468	-	-	345,244	99,174,712
Total	<u>201,368,010</u>	<u>3,954,441</u>	<u>(20,683)</u>	<u>345,244</u>	<u>205,647,012</u>
Less accumulated depreciation for:					
Land improvements	(3,210,791)	(185,963)	-	-	(3,396,754)
Building improvements	(25,801,968)	(1,024,040)	-	-	(26,826,008)
Machinery and equipment	(29,226,782)	(2,713,740)	20,683	-	(31,919,839)
Furniture and fixtures	(83,258)	(3,016)	-	-	(86,274)
Intangibles	(484,929)	(3,709)	-	-	(488,638)
Infrastructure	(55,384,028)	(1,577,189)	-	-	(56,961,217)
Total	<u>(114,191,756)</u>	<u>(5,507,657)</u>	<u>20,683</u>	<u>-</u>	<u>(119,678,730)</u>
Total capital assets, being depreciated, net	<u>87,176,254</u>	<u>(1,553,216)</u>	<u>-</u>	<u>345,244</u>	<u>85,968,282</u>
Leased assets, net					<u>457,996</u>
Governmental activities capital assets, net	<u>\$ 98,166,844</u>	<u>\$ 4,161,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,786,691</u>

See lease asset note below for information relative to right-to-use leased capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	\$ 282,029
Judicial	86,455
Public safety	2,271,343
Public works	2,221,147
Culture and recreation	637,948
Housing and development	6,596
Health and welfare	2,139
Total depreciation expense - governmental activities	<u>\$ 5,507,657</u>

Lease asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Right-to-use lease assets:					
Leased equipment	\$ 1,570,906	\$ 66,484	\$ (947,652)	\$ -	\$ 689,738
Total	<u>1,570,906</u>	<u>66,484</u>	<u>(947,652)</u>	<u>-</u>	<u>689,738</u>
Less accumulated amortization for:					
Leased equipment	(282,109)	(137,948)	188,315	-	(231,742)
Total accumulated amortization	<u>(282,109)</u>	<u>(137,948)</u>	<u>188,315</u>	<u>-</u>	<u>(231,742)</u>
Total right-to-use lease assets, net	<u>\$ 1,288,797</u>	<u>\$ (71,464)</u>	<u>\$ (759,337)</u>	<u>\$ -</u>	<u>\$ 457,996</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Water Authority

Capital asset activity for the Water Authority, a discretely presented component unit, for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500
Construction in progress	1,123,574	1,793,159	(26,976)	(2,845,744)	44,013
Total	<u>1,137,074</u>	<u>1,793,159</u>	<u>(26,976)</u>	<u>(2,845,744)</u>	<u>57,513</u>
Capital assets, being depreciated:					
Water delivery system	33,538,729	-	-	2,845,744	36,384,473
Sewer system	3,296,280	-	-	-	3,296,280
Buildings	48,751	-	-	-	48,751
Machinery and equipment	1,195,827	56,192	-	-	1,252,019
Intangibles	145,279	-	-	-	145,279
Total	<u>38,224,866</u>	<u>56,192</u>	<u>-</u>	<u>2,845,744</u>	<u>41,126,802</u>
Less accumulated depreciation for:					
Water delivery system	(15,501,052)	(680,450)	-	-	(16,181,502)
Sewer system	(529,348)	(66,106)	-	-	(595,454)
Buildings	(42,912)	(198)	-	-	(43,110)
Machinery and equipment	(919,117)	(47,359)	-	-	(966,476)
Intangibles	(39,480)	(3,113)	-	-	(42,593)
Total	<u>(17,031,909)</u>	<u>(797,226)</u>	<u>-</u>	<u>-</u>	<u>(17,829,135)</u>
Total capital assets, being depreciated, net	<u>21,192,957</u>	<u>(741,034)</u>	<u>-</u>	<u>2,845,744</u>	<u>23,297,667</u>
Total capital assets, net	<u>\$ 22,330,031</u>	<u>\$ 1,052,125</u>	<u>\$ (26,976)</u>	<u>\$ -</u>	<u>\$ 23,355,180</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 10,000,000	\$ -	\$ (1,930,000)	\$ 8,070,000	\$ 2,000,000
Bond premium	681,619	-	(243,849)	437,770	-
Net bonds payable	<u>10,681,619</u>	<u>-</u>	<u>(2,173,849)</u>	<u>8,507,770</u>	<u>2,000,000</u>
Certificates of participation	2,500,000	-	-	2,500,000	-
Intergovernmental payable	2,062,500	-	(267,500)	1,795,000	275,000
Lease liability	1,484,005	146,785	(1,025,954)	604,836	126,711
Financed purchase					
from direct borrowings	5,210,219	3,031,718	(954,235)	7,287,702	1,098,799
Claims payable	832,443	11,276,879	(9,810,120)	2,299,202	370,410
Compensated absences	1,567,097	1,161,709	(980,100)	1,748,706	699,482
Landfill post-closure costs	316,135	-	(77,828)	238,307	137,060
Net pension liability	21,935,921	9,481,823	(9,912,491)	21,505,253	-
Total OPEB liability	<u>3,387,351</u>	<u>409,855</u>	<u>(307,475)</u>	<u>3,489,731</u>	<u>66,438</u>
Governmental activities long-term liabilities	<u>\$ 49,977,290</u>	<u>\$ 25,508,769</u>	<u>\$ (25,509,552)</u>	<u>\$ 49,976,507</u>	<u>\$ 4,773,900</u>

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

Financed Purchase from Direct Borrowing. The County has entered into financed purchase agreements for financing the acquisition of various items of equipment. The agreements qualify as finance purchase agreements for accounting purposes (titles transfer at the end of the terms) and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inception. These finance purchases are being serviced by the General Fund with annual interest rates varying from 2.18% to 4.45%.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Finance Purchase for Direct Borrowing (Continued). The County's total financed purchase debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest
2025	\$ 1,098,799	\$ 281,176
2026	1,062,145	235,890
2027	1,163,810	105,499
2028	926,437	117,038
2029	336,078	63,485
2030 – 2034	1,992,277	196,150
2035 and 2036	708,156	13,640
Total	\$ 7,287,702	\$ 1,012,878

Lease Liability. The County entered into multiple five- year lease agreements as lessee for the use of vehicles for multiple different departments. An initial lease liability was recorded in the amount of \$1,570,906. As of June 30, 2024, the value of the lease liability was \$604,836. The County is required to make monthly or quarterly principal and interest payments ranging from \$655 to \$1,218. The leases have an imputed interest rate of 2.41%. The right-to-use lease assets have a useful life of four years. The value of the right-to-use lease assets as of the end of the current fiscal year were \$689,738 and had accumulated amortization of \$219,660.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 are as follows:

Fiscal year ending June 30,	Principal	Interest
2025	\$ 126,711	\$ 39,283
2026	138,189	39,283
2027	138,189	39,283
2028	201,747	54,226
Total	\$ 604,836	\$ 172,075

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Transportation Sales Tax Bonds. The Spalding County General Obligation Transportation Sales Tax Bonds, Series 2022 were issued in April 2022 in the amount of \$10,000,000. 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 2.17% to 2.8% and are due on September 1, 2027. In connection with the issuance of bonds, a premium of \$914,776 was recorded and is being amortized over the life of the bonds. As of June 30, 2024, the unamortized premium was \$437,770.

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

Fiscal year ending June 30,	Principal	Interest
2025	\$ 2,000,000	\$ 353,500
2026	2,000,000	253,500
2027	2,025,000	152,875
2028	2,045,000	51,125
Total	\$ 8,070,000	\$ 811,000

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the GMA. The funding of the lease pool was provided by the issuance of \$150,126,000 certificates of participation by the GMA. The GMA passed the net proceeds through to the participating municipalities with the County's participation totaling \$2,500,000. The lease pool agreement with the GMA 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 GMA. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). As part of the issuance of the certificates of participation, the 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.

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, 2024, the floating rate being paid by the County is 4.19% and the market value of this agreement is \$61,937 a decrease of \$15,492 from the market value at the end of the previous fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2024, 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
2025	\$ -	\$ 118,750
2026	-	118,750
2027	-	118,750
2028	2,500,000	118,750
Total	\$ 2,500,000	\$ 475,000

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, 2024, the County has a remaining 0.8 years of monitoring. Engineering studies estimate post-closure costs of approximately \$238,307 over the 0.8 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, 2024. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Intergovernmental payable – Airport Authority Revenue Bonds. The 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
2025	\$ 275,000	\$ 66,176
2026	282,500	57,925
2027	292,500	48,038
2028	302,500	37,800
2029	315,000	25,700
2030	327,500	13,100
Total	\$ 1,795,000	\$ 248,739

NOTES TO FINANCIAL STATEMENTS

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 fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable, Series 2015	\$ 6,385,000	\$ -	\$ (975,000)	\$ 5,410,000	\$ 1,005,000
Deferred amounts:					
Premium	212,090	-	(60,838)	151,252	-
Total bonds payable	6,597,090	-	(1,035,838)	5,561,252	1,005,000
Compensated absences	20,825	23,945	(8,524)	36,246	21,748
Water Authority long-term liabilities	<u>\$ 6,617,915</u>	<u>\$ 23,945</u>	<u>\$ (1,044,362)</u>	<u>\$ 5,597,498</u>	<u>\$ 1,026,748</u>

Revenue Bonds Payable. During the year ended June 30, 2003, the Water Authority issued revenue bonds in the amount of \$9,880,000. The bonds 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, 2024, the unamortized premium was \$151,252.

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. As of June 30, 2024, the advanced refunding losses were fully amortized. As of June 30, 2024, the Water Authority's outstanding in-substance defeased debt totaled \$5,470,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Advanced Refunding (Continued). Revenue bonds outstanding at June 30, 2024, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
Water Authority - Series 2015 Plus unamortized premium	2.00 – 4.00%	13 years	2028	\$ 9,580,000	\$ 5,410,000
					<u>151,252</u>
					<u>\$ 5,561,252</u>

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

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,005,000	\$ 181,956
2026	1,035,000	147,513
2027	1,080,000	110,500
2028	1,125,000	69,100
2029	1,165,000	23,300
Total	<u>\$ 5,410,000</u>	<u>\$ 532,369</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 28,337
Nonmajor governmental funds	Nonmajor governmental funds	17,494
Nonmajor governmental funds	General Fund	14,867
Fire District Fund	General Fund	62,379
		\$ 123,077

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.

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmental funds	\$ 226,788
General Fund	Fire District Fund	149,262
Nonmajor governmental funds	Fire District Fund	61,000
2022 TSPLOST Capital Projects Fund	2022 TSPLOST Debt Service Fund	2,987,520
Nonmajor governmental funds	General Fund	1,445,730
		\$ 4,870,300

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN

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 §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 §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, 2023, pension plan membership consisted of the following:

Retirees, beneficiaries, and disabled receiving benefits	234
Terminated Plan participants entitled to but not receiving benefits	251
Active employees participating in the Plan	<u>433</u>
Total number of Plan participants	<u>918</u>
Part-time active employees not participating in the Plan	68

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2024, the County's contribution rate was 15.55% of annual payroll. County contributions to the Plan were \$3,412,358 for the year ended June 30, 2024.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2023.

Actuarial Assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	4.5% - 7.0%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub – 2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2023.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study through February 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Fixed Income	30.00 %	3.60%
Large Cap equity	30.00	8.20
International equity	15.00	8.90
Other equity	20.00	7.90
Real estate	5.00	8.50
Total	100.00	

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 fiscal year ended June 30, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 61,263,101	\$ 39,327,180	\$ 21,935,921
<i>Changes for the year:</i>			
Service cost	1,605,440	-	1,605,440
Interest	4,193,743	-	4,193,743
Differences between expected and actual experience	1,423,666	-	1,423,666
Contributions - employer	-	3,412,358	(3,412,358)
Contributions - employee	-	719,138	(719,138)
Net investment income	-	5,780,995	(5,780,995)
Assumption change	1,893,279	-	1,893,279
Benefit payments, including refunds of employee contributions	(2,704,972)	(2,704,972)	-
Administrative expense	-	(110,235)	110,235
Other changes	-	(255,460)	255,460
<i>Net changes</i>	<u>6,411,156</u>	<u>6,841,824</u>	<u>(430,668)</u>
Ending balance	<u>\$ 67,674,257</u>	<u>\$ 46,169,004</u>	<u>\$ 21,505,253</u>

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County's net pension liability	\$ 30,545,986	\$ 21,505,253	\$ 14,002,703

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2023, and the current sharing pattern of costs between employer and employee. As of June 30, 2024, the County had no contributions subsequent to measurement date due to all employer contributions being made prior to measurement date.

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

For the fiscal year ended June 30, 2024, the County recognized pension expense of \$3,873,335. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 1,729,631	\$ -
Differences between expected and actual experience	1,506,348	216,272
Other changes in assumptions	1,696,527	-
Total	\$ 4,932,506	\$ 216,272

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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

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

<u>Year ending June 30,</u>	
2025	\$ 1,563,520
2026	1,470,024
2027	2,035,966
2028	<u>(353,276)</u>
Total	<u>\$ 4,716,234</u>

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.

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 ended June 30, 2024, the County's contribution to the Plan was \$0. For the fiscal year ended June 30, 2024, the employee's contribution to the Plan was \$715,956. The Plan was frozen as of December 31, 2018.

NOTES TO FINANCIAL STATEMENTS

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, 18 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 four of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

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 June 30, 2023:

Active members	481
Retired members	<u>13</u>
	<u><u>494</u></u>

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, 2024, the County contributed \$65,690 for the pay-as-you-go benefits for the fiscal Plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County

The County's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	4.13%
Healthcare cost trend rate:	7.50% graded per year to an ultimate rate of 5.00%
Salary scale:	4.50% per year with an age based scale
Participation rate:	25.00%

Mortality rates were based on the Pub-2010 GE (50%) and PS (50%) with Scale AA to 2023.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience through February 2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. 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 4.13% as determined by the Bond Buyer 20-Bond General Obligation (“GO”) Index Rate as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County for the fiscal year ended June 30, 2024 were as follows:

	Total OPEB Liability
Beginning balance	\$ 3,387,351
Changes for the year:	
Service cost	179,459
Interest	137,198
Differences between expected and actual experience	(241,037)
Assumption changes	93,198
Benefit payments	(66,438)
Net change	102,380
Ending balance	\$ 3,489,731

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.

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 (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	Changes to Discount Rate		
	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ 3,779,864	\$ 3,489,731	\$ 3,225,341

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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:

	Changes to Health Care Trend Rates		
	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB liability	\$ 3,158,212	\$ 3,489,731	\$ 3,875,240

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, 2024, and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$259,403. At June 30, 2024, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 952,954	\$ (899,858)
Other changes in assumptions	773,373	(297,594)
Contributions subsequent to measurement date	65,690	-
Total	\$ 1,792,017	\$ (1,197,452)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

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, 2025. Amounts reported as deferred outflows and Inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>		
2025	\$	(57,254)
2026		(57,254)
2027		(57,254)
2028		(6,860)
2029		84,552
Thereafter		<u>622,945</u>
Total	\$	<u><u>528,875</u></u>

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.

The County provides a self-insurance health plan for its employees. This plan is accounted for in the General Fund and funded accordingly to the historical cost of health benefits provided to County employees. The County purchases specific and aggregate stop loss insurance to protect itself in unusual circumstances. Claims payable consist of claims incurred but not yet paid as of June 30, 2024, and were estimated based on the Loss Analysis Report provided by the third-party administrator and pending specific stop loss reimbursements.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

Changes in health insurance claims payable are as follows:

Health Insurance	June 30, 2024	June 30, 2023
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Claims incurred and changes in estimates	8,549,718	-
Claims payment	(7,371,162)	-
Unpaid claims, end of fiscal year	\$ 1,178,556	\$ -

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

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 \$1,120,646 as of June 30, 2024, 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 are as follows:

Workers' Compensation	June 30, 2024	June 30, 2023
Unpaid claims, beginning of fiscal year	\$ 832,443	\$ 600,302
Claims incurred and changes in estimates	1,033,206	2,129,167
Claims payment	(745,003)	(1,897,026)
Unpaid claims, end of fiscal year	\$ 1,120,646	\$ 832,443

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Commitments

The County has commitments for construction contracts not yet completed at year end totaling \$527,430.

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	
Fire District Fund	\$ 5,683,972
General Fund	<u>802,655</u>
	<u>\$ 6,486,627</u>

NOTE 14. JOINT VENTURES

Airport

During the year ended June 30, 2024, 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 2024 was \$32,073.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 14. JOINT VENTURES (CONTINUED)

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, 2024, the County paid \$34,115 in such dues. Membership in an RC is required by the O.C.G.A. §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 2024 was \$0. The County has no further accountability for this organization.

NOTE 16. HOTEL/MOTEL LODGING TAX

During the fiscal year ended June 30, 2024, 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 O.C.G.A. §48-13-51. The remaining 3.00% of this tax is allowed to be disbursed to the General Fund. For the fiscal year ended June 30, 2024, the County collected \$306,931 of hotel/motel taxes of which \$115,859 went to support the General Fund and \$191,833 stayed in the tourism fund. Collections in the tourism fund were used for the promotion of tourism within the County.

NOTES TO FINANCIAL STATEMENTS

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 fiscal year ended June 30, 2024, the County abated property taxes totaling \$571,160 and \$375,071 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. NET INVESTMENT IN CAPITAL ASSETS

The following schedule provides the details of the net investment in capital assets classification of net position:

	Governmental	Water
Calculation of net investment in capital assets:	Activities	Authority
Capital assets, non-depreciable	\$ 16,360,413	\$ 57,513
Capital assets, depreciable	205,647,012	41,126,802
Accumulated depreciation	(119,678,730)	(17,829,135)
Right-to-use lease assets, depreciable	689,738	-
Accumulated amortization	(231,742)	-
Leases	(604,836)	-
Certificates of participation	(2,500,000)	-
Finance purchase agreements	(7,287,702)	-
Bonds payable	(8,070,000)	(5,410,000)
Retainage payable	(498,680)	-
Unamortized premiums on bonds payable	(437,770)	(151,252)
Unspent debt proceeds - certificates of participation	1,780,086	-
Unspent debt proceeds - bonds	1,240	-
Net investment in capital assets	\$ 85,169,029	\$ 17,793,928

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REQUIRED SUPPLEMENTARY INFORMATION

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability			
Service cost	\$ 179,459	\$ 231,828	\$ 217,112
Interest on total pension liability	137,198	75,099	89,570
Differences between expected and actual experience	(241,037)	-	(1,081,045)
Changes of assumptions	93,198	(303,716)	271,048
Benefit payments	(66,438)	(120,908)	(88,664)
Net change in total OPEB liability	102,380	(117,697)	(591,979)
Total OPEB liability - beginning	3,387,351	3,505,048	4,097,027
Total OPEB liability - ending (a)	\$ 3,489,731	\$ 3,387,351	\$ 3,505,048
Covered employee payroll	\$ 24,170,682	\$ 26,570,920	\$ 25,450,990
County's total OPEB liability as a			
percentage of covered employee payroll	14.44%	12.75%	13.77%

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. There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 113,928	\$ 87,004	\$ 90,245	\$ 87,126
78,504	66,946	67,315	54,070
1,357,618	-	(152,798)	(47,483)
440,666	379,089	(57,614)	(117,366)
<u>(87,238)</u>	<u>(35,376)</u>	<u>(41,324)</u>	<u>(37,903)</u>
1,903,478	497,663	(94,176)	(61,556)
<u>2,193,549</u>	<u>1,695,886</u>	<u>1,790,062</u>	<u>1,851,618</u>
<u>\$ 4,097,027</u>	<u>\$ 2,193,549</u>	<u>\$ 1,695,886</u>	<u>\$ 1,790,062</u>
\$ 22,995,893	\$ 24,045,704	\$ 23,470,228	\$ 22,185,006
17.82%	9.12%	7.23%	8.07%

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability			
Service cost	\$ 1,605,440	\$ 1,512,099	\$ 1,469,966
Interest on total pension liability	4,193,743	4,004,884	3,773,732
Differences between expected and actual experience	1,423,666	(376,474)	203,954
Changes of assumptions	1,893,279	104,190	102,324
Benefit payments, including refunds of employee contributions	(2,704,972)	(2,388,476)	(2,107,114)
Other	-	-	-
Net change in total pension liability	6,411,156	2,856,223	3,442,862
Total pension liability - beginning	61,263,101	58,406,878	54,964,016
Total pension liability - ending (a)	67,674,257	61,263,101	58,406,878
Plan fiduciary net position			
Contributions - employer	3,412,358	2,962,470	2,948,137
Contributions - employee	719,138	703,832	681,446
Net investment income	5,780,995	(6,232,934)	5,782,735
Benefit payments, including refunds of employee contributions	(2,704,972)	(2,388,476)	(2,107,114)
Administrative expenses	(110,235)	(105,793)	(102,457)
Other	(255,460)	(302,390)	(278,621)
Net change in fiduciary net position	6,841,824	(5,363,291)	6,924,126
Plan fiduciary net position - beginning	39,327,180	44,690,471	37,766,345
Plan fiduciary net position - ending (b)	46,169,004	39,327,180	44,690,471
County's net pension liability - ending (a) - (b)	\$ 21,505,253	\$ 21,935,921	\$ 13,716,407
Plan fiduciary net position as a percentage of total pension liability	68.22%	64.19%	76.52%
Covered payroll	21,525,401	20,530,018	\$ 20,177,614
County's net pension liability as a percentage of covered payroll	99.91%	106.85%	67.98%

	2021	2020	2019	2018	2017	2016	2015
\$	1,413,747	\$ 1,225,028	\$ 404,652	\$ 498,620	\$ 450,476	\$ 447,289	\$ 460,213
	3,463,788	2,161,510	2,265,941	2,189,667	2,161,674	2,100,683	2,015,681
	1,321,798	1,242,404	(3,423,574)	(974,091)	(602,771)	(714,219)	-
	196,683	1,849,348	1,190,106	73,984	878,346	1,130,608	-
	(1,829,372)	(1,697,486)	71,946	(1,544,193)	(1,471,285)	(1,415,512)	(1,342,527)
	-	13,889,109	-	-	-	-	-
	4,566,644	18,669,913	509,071	243,987	1,416,440	1,548,849	1,133,367
	<u>50,397,372</u>	<u>31,727,459</u>	<u>31,218,388</u>	<u>30,974,401</u>	<u>29,557,961</u>	<u>28,009,112</u>	<u>26,875,745</u>
	<u>54,964,016</u>	<u>50,397,372</u>	<u>31,727,459</u>	<u>31,218,388</u>	<u>30,974,401</u>	<u>29,557,961</u>	<u>28,009,112</u>
	2,854,667	2,471,509	1,750,000	1,275,118	1,238,475	1,199,522	1,334,262
	622,010	602,166	-	-	-	-	-
	4,290,775	5,348,886	(1,105,920)	3,470,460	1,542,031	146,812	1,430,252
	(1,829,372)	(1,697,486)	71,946	(1,544,193)	(1,471,285)	(1,364,349)	(1,294,002)
	(100,832)	(97,022)	(70,370)	(68,878)	(72,390)	(69,586)	(67,301)
	<u>(158,885)</u>	<u>(194,455)</u>	<u>(197,987)</u>	<u>(189,624)</u>	<u>(171,486)</u>	<u>(145,754)</u>	<u>(147,776)</u>
	5,678,363	6,433,598	447,669	2,942,883	1,065,345	(233,355)	1,255,435
	<u>32,087,982</u>	<u>25,654,384</u>	<u>25,206,715</u>	<u>22,263,832</u>	<u>21,198,487</u>	<u>21,431,842</u>	<u>20,176,407</u>
	<u>37,766,345</u>	<u>32,087,982</u>	<u>25,654,384</u>	<u>25,206,715</u>	<u>22,263,832</u>	<u>21,198,487</u>	<u>21,431,842</u>
\$	<u>17,197,671</u>	<u>18,309,390</u>	<u>6,073,075</u>	<u>6,011,673</u>	<u>8,710,569</u>	<u>8,359,474</u>	<u>6,577,270</u>
	68.71%	63.67%	80.86%	80.74%	71.88%	71.72%	76.52%
\$	19,806,253	\$ 18,746,642	\$ 14,465,746	\$ 14,765,645	\$ 14,693,833	\$ 14,458,040	\$ 14,657,303
	86.83%	97.67%	41.98%	40.71%	59.28%	57.82%	44.87%

SPALDING COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 3,108,612	\$ 2,731,970	\$ 2,739,321
Contributions in relation to the actuarially determined contribution	<u>3,412,358</u>	<u>2,962,470</u>	<u>2,948,137</u>
Contribution deficiency (excess)	<u>\$ (303,746)</u>	<u>\$ (230,500)</u>	<u>\$ (208,816)</u>
Covered payroll	\$ 21,943,532	\$ 21,027,710	\$ 20,353,816
Contributions as a percentage of covered payroll	15.55%	14.09%	14.48%

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	2,651,664	\$ 2,310,952	\$ 903,084	\$ 1,275,118	\$ 1,197,114	\$ 1,151,588	\$ 1,216,126
	<u>2,854,667</u>	<u>2,471,509</u>	<u>1,750,000</u>	<u>1,275,118</u>	<u>1,238,475</u>	<u>1,199,522</u>	<u>1,334,262</u>
\$	<u>(203,003)</u>	<u>\$ (160,557)</u>	<u>\$ (846,916)</u>	<u>\$ -</u>	<u>\$ (41,361)</u>	<u>\$ (47,934)</u>	<u>\$ (118,136)</u>
\$	19,991,934	\$ 19,276,448	\$ 18,506,566	\$ 14,615,696	\$ 14,729,739	\$ 14,575,937	\$ 14,557,672
	14.28%	12.82%	9.46%	8.72%	8.41%	8.23%	9.17%

SUPPLEMENTARY INFORMATION

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.
National Opioid Settlement	To account for all Opioid Settlement Payment Funds received by the County through the National Distributor Settlement and the Janssen/J&J Settlement.
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.
CSBG – CARES	To account for Community Services Block Grant revenues and expenditures received specifically from CARES Act Funding. Revenues are received from the federal government through the State of Georgia.
CDBG Dundee Phase II	To account for Community Development Block Grant revenues and expenditures for sewerage infrastructure improvements for low income housing.

SPALDING COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

Department of Justice To account for collection of revenues and expenditures received from the Department of Justice designated for public safety programs.

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.

2015 Airport 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.

SPALDING COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue					
	Community Services Block Grant	Emergency 911	Confiscated Assets	Law Library	National Opioid Settlement Func	Senior Nutrition
ASSETS						
Cash and cash equivalents	\$ 46,583	\$ 909,469	\$ 363,981	\$ 342,949	\$ 364,217	\$ 290,840
Investments	-	-	-	-	-	-
Accounts receivable	-	227,421	-	-	-	3,577
Due from other governments	17,494	-	-	-	-	87,948
Due from other funds	-	14,867	-	-	-	17,494
Total assets	<u>\$ 64,077</u>	<u>\$ 1,151,757</u>	<u>\$ 363,981</u>	<u>\$ 342,949</u>	<u>\$ 364,217</u>	<u>\$ 399,859</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 7,743	\$ 2,834	\$ -	\$ 2,326	\$ -	\$ 11,561
Accrued liabilities	788	18,183	-	-	-	2,782
Due to other funds	17,494	-	-	-	-	5,941
Total liabilities	<u>26,025</u>	<u>21,017</u>	<u>-</u>	<u>2,326</u>	<u>-</u>	<u>20,284</u>
FUND BALANCES (DEFICIT)						
Restricted for:						
Grant purposes	38,052	-	-	-	-	-
Judicial	-	-	-	340,623	-	-
Public safety	-	1,130,740	363,981	-	364,217	-
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	379,575
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>38,052</u>	<u>1,130,740</u>	<u>363,981</u>	<u>340,623</u>	<u>364,217</u>	<u>379,575</u>
Total liabilities and fund balances (deficit)	<u>\$ 64,077</u>	<u>\$ 1,151,757</u>	<u>\$ 363,981</u>	<u>\$ 342,949</u>	<u>\$ 364,217</u>	<u>\$ 399,859</u>

Tourism	Special Revenue				Debt Service			
	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CSBG-CARES	CDBG Dundee Phase II	Department of Justice	GMA Lease Pool Debt Service	2015 Airport Debt Service	
\$ 90,831	\$ 248,771	\$ 4,482	\$ -	\$ -	\$ 11,844	\$ 1,094,707	\$ -	
-	-	-	-	-	-	2,013,479	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
<u>\$ 90,831</u>	<u>\$ 248,771</u>	<u>\$ 4,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,844</u>	<u>\$ 3,108,186</u>	<u>\$ -</u>	
\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	-	
-	14,056	-	8,340	-	-	-	-	
-	14,060	-	8,340	-	-	-	-	
-	-	-	-	-	11,844	-	-	
-	234,711	4,482	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	2,013,480	-	
-	-	-	-	-	-	1,094,706	-	
90,831	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	(8,340)	-	-	-	-	
<u>90,831</u>	<u>234,711</u>	<u>4,482</u>	<u>(8,340)</u>	<u>-</u>	<u>11,844</u>	<u>3,108,186</u>	<u>-</u>	
<u>\$ 90,831</u>	<u>\$ 248,771</u>	<u>\$ 4,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,844</u>	<u>\$ 3,108,186</u>	<u>\$ -</u>	

(Continued)

SPALDING COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>Capital Projects</u>		<u>Total</u>
	<u>Impact Fees</u>	<u>Capital Projects General</u>	
ASSETS			
Cash and cash equivalents	\$ 5,880,247	\$ 197,508	\$ 9,846,429
Investments	-	-	2,013,479
Accounts receivable	-	-	230,998
Due from other governments	-	-	105,442
Due from other funds	-	-	32,361
	<u>5,880,247</u>	<u>197,508</u>	<u>12,228,709</u>
Total assets			
	<u>\$ 5,880,247</u>	<u>\$ 197,508</u>	<u>\$ 12,228,709</u>
LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 24,468
Accrued liabilities	-	-	21,753
Due to other funds	-	-	45,831
	<u>-</u>	<u>-</u>	<u>92,052</u>
Total liabilities			
	<u>-</u>	<u>-</u>	<u>92,052</u>
FUND BALANCES (DEFICIT)			
Restricted for:			
Grant purposes	-	-	49,896
Judicial	-	-	579,816
Public safety	-	-	1,858,938
Capital projects	5,880,247	-	7,893,727
Debt service	-	-	1,094,706
Housing and development	-	-	90,831
Health and welfare	-	-	379,575
Assigned for:			
Capital projects	-	197,508	197,508
Unassigned	-	-	(8,340)
	<u>-</u>	<u>-</u>	<u>(8,340)</u>
Total fund balances (deficit)			
	<u>5,880,247</u>	<u>197,508</u>	<u>12,136,657</u>
Total liabilities and fund balances (deficit)			
	<u>\$ 5,880,247</u>	<u>\$ 197,508</u>	<u>\$ 12,228,709</u>

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SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue					
	Community				National	
	Services Block Grant	Emergency 911	Confiscated Assets	Law Library	Opioid Settlement Fund	Senior Nutrition
REVENUES						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	153,204	-	-	-	202,027	480,340
Charges for services	-	1,344,320	-	-	-	-
Court fees, fines and forfeitures	-	-	337,614	327,602	-	-
Investment income	-	-	88	1,001	-	-
Other	-	-	-	-	-	118,685
Total revenues	<u>153,204</u>	<u>1,344,320</u>	<u>337,702</u>	<u>328,603</u>	<u>202,027</u>	<u>599,025</u>
EXPENDITURES						
Current:						
General government	59,465	-	-	-	-	-
Judicial	37,412	-	-	196,700	-	-
Public safety	-	1,705,154	90,385	-	-	-
Health and welfare	48,022	-	-	-	-	571,350
Housing and development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>144,899</u>	<u>1,705,154</u>	<u>90,385</u>	<u>196,700</u>	<u>-</u>	<u>571,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,305</u>	<u>(360,834)</u>	<u>247,317</u>	<u>131,903</u>	<u>202,027</u>	<u>27,675</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	500,000	-	-	-	115,518
Transfers out	-	(38,863)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>461,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,518</u>
Net change in fund balances	8,305	100,303	247,317	131,903	202,027	143,193
FUND BALANCES (DEFICIT), beginning of year	<u>29,747</u>	<u>1,030,437</u>	<u>116,664</u>	<u>208,720</u>	<u>162,190</u>	<u>236,382</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 38,052</u>	<u>\$ 1,130,740</u>	<u>\$ 363,981</u>	<u>\$ 340,623</u>	<u>\$ 364,217</u>	<u>\$ 379,575</u>

Tourism	Special Revenue				Debt Service		
	Local Victims Assistance Program	Griffin Judicial Circuit Drug Court	CSBG-CARES	CDBG Dundee Phase II	Department of Justice	GMA Lease Pool Debt Service	2015 Airport Debt Service
\$ 306,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	198,941	-	-	-
-	-	-	-	-	-	-	-
-	58,505	-	-	-	-	-	-
-	392	-	-	-	-	115,029	-
-	-	-	-	-	-	-	-
<u>306,931</u>	<u>58,897</u>	<u>-</u>	<u>-</u>	<u>198,941</u>	<u>-</u>	<u>115,029</u>	<u>-</u>
-	-	-	-	-	-	-	31,024
-	118,010	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
183,100	-	-	-	198,951	-	-	-
-	-	-	-	-	-	-	267,500
-	-	-	-	-	-	128,748	70,188
<u>183,100</u>	<u>118,010</u>	<u>-</u>	<u>-</u>	<u>198,951</u>	<u>-</u>	<u>128,748</u>	<u>368,712</u>
123,831	(59,113)	-	-	(10)	-	(13,719)	(368,712)
-	-	-	-	-	-	522,500	368,712
(115,098)	-	-	-	-	-	(72,827)	-
<u>(115,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,673</u>	<u>368,712</u>
8,733	(59,113)	-	-	(10)	-	435,954	-
82,098	293,824	4,482	(8,340)	10	11,844	2,672,232	-
<u>\$ 90,831</u>	<u>\$ 234,711</u>	<u>\$ 4,482</u>	<u>\$ (8,340)</u>	<u>\$ -</u>	<u>\$ 11,844</u>	<u>\$ 3,108,186</u>	<u>\$ -</u>

SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Capital Projects		Total
	Impact Fees	Capital Projects General	
REVENUES			
Other taxes	\$ -	\$ -	\$ 306,931
Intergovernmental	-	-	1,034,512
Charges for services	1,296,591	-	2,640,911
Court fees, fines and forfeitures	-	-	723,721
Investment income	48,373	-	164,883
Other	-	-	118,685
Total revenues	<u>1,344,964</u>	<u>-</u>	<u>4,989,643</u>
EXPENDITURES			
Current:			
General government	45,785	-	136,274
Judicial	-	-	352,122
Public safety	-	-	1,795,539
Health and welfare	-	-	619,372
Housing and development	-	-	382,051
Debt service:			
Principal	-	-	267,500
Interest	-	-	198,936
Total expenditures	<u>45,785</u>	<u>-</u>	<u>3,751,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,299,179</u>	<u>-</u>	<u>1,237,849</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,506,730
Transfers out	-	-	(226,788)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,279,942</u>
Net change in fund balances	1,299,179	-	2,517,791
FUND BALANCES (DEFICIT), Beginning of year	<u>4,581,068</u>	<u>197,508</u>	<u>9,618,866</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 5,880,247</u>	<u>\$ 197,508</u>	<u>\$ 12,136,657</u>

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SPALDING COUNTY, GEORGIA

**SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Community Services Block Grant		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	180,368	153,204	(27,164)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Investment income	-	-	-
Other	-	-	-
Total revenues	<u>180,368</u>	<u>153,204</u>	<u>(27,164)</u>
EXPENDITURES			
Current:			
General government	65,950	59,465	6,485
Judicial	43,918	37,412	6,506
Public safety	-	-	-
Health and welfare	70,500	48,022	22,478
Housing and development	-	-	-
Total expenditures	<u>180,368</u>	<u>144,899</u>	<u>35,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>8,305</u>	<u>8,305</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	8,305	8,305
FUND BALANCES (DEFICIT), beginning of year	<u>29,747</u>	<u>29,747</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 29,747</u>	<u>\$ 38,052</u>	<u>\$ 8,305</u>

Emergency 911			Confiscated Assets		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,399,000	1,344,320	(54,680)	-	-	-
-	-	-	350,000	337,614	(12,386)
-	-	-	-	88	88
-	-	-	-	-	-
<u>1,399,000</u>	<u>1,344,320</u>	<u>(54,680)</u>	<u>350,000</u>	<u>337,702</u>	<u>(12,298)</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,225,036	1,705,154	519,882	350,000	90,385	259,615
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,225,036</u>	<u>1,705,154</u>	<u>519,882</u>	<u>350,000</u>	<u>90,385</u>	<u>259,615</u>
<u>(826,036)</u>	<u>(360,834)</u>	<u>465,202</u>	<u>-</u>	<u>247,317</u>	<u>247,317</u>
500,000	500,000	-	-	-	-
-	(38,863)	(38,863)	-	-	-
<u>500,000</u>	<u>461,137</u>	<u>(38,863)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(326,036)	100,303	426,339	-	247,317	247,317
<u>1,030,437</u>	<u>1,030,437</u>	<u>-</u>	<u>116,664</u>	<u>116,664</u>	<u>-</u>
<u>\$ 704,401</u>	<u>\$ 1,130,740</u>	<u>\$ 426,339</u>	<u>\$ 116,664</u>	<u>\$ 363,981</u>	<u>\$ 247,317</u>

(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, 2024**

	Law Library		Variance With Final Budget
	Final Budget	Actual	
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	75,000	327,602	252,602
Investment income	-	1,001	1,001
Other	-	-	-
Total revenues	<u>75,000</u>	<u>328,603</u>	<u>253,603</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	75,000	196,700	(121,700)
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	<u>75,000</u>	<u>196,700</u>	<u>(121,700)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>131,903</u>	<u>131,903</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	131,903	131,903
FUND BALANCES, beginning of year	<u>208,720</u>	<u>208,720</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 208,720</u>	<u>\$ 340,623</u>	<u>\$ 131,903</u>

Senior Nutrition			Tourism		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 297,500	\$ 306,931	\$ 9,431
397,500	480,340	82,840	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
94,926	118,685	23,759	-	-	-
<u>492,426</u>	<u>599,025</u>	<u>106,599</u>	<u>297,500</u>	<u>306,931</u>	<u>9,431</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
607,944	571,350	36,594	-	-	-
-	-	-	235,500	183,100	52,400
<u>607,944</u>	<u>571,350</u>	<u>36,594</u>	<u>235,500</u>	<u>183,100</u>	<u>52,400</u>
(115,518)	27,675	143,193	62,000	123,831	61,831
115,518	115,518	-	-	-	-
-	-	-	(112,000)	(115,098)	(3,098)
<u>115,518</u>	<u>115,518</u>	<u>-</u>	<u>(112,000)</u>	<u>(115,098)</u>	<u>(3,098)</u>
-	143,193	143,193	(50,000)	8,733	58,733
236,382	236,382	-	82,098	82,098	-
<u>\$ 236,382</u>	<u>\$ 379,575</u>	<u>\$ 143,193</u>	<u>\$ 32,098</u>	<u>\$ 90,831</u>	<u>\$ 58,733</u>

(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, 2024**

	Local Victims Assistance Program		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Court fees, fines and forfeitures	90,000	58,505	(31,495)
Investment income	-	392	392
Other	-	-	-
Total revenues	<u>90,000</u>	<u>58,897</u>	<u>(31,103)</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	120,000	118,010	1,990
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	-	-	-
Total expenditures	<u>120,000</u>	<u>118,010</u>	<u>1,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,000)</u>	<u>(59,113)</u>	<u>(29,113)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(30,000)	(59,113)	(29,113)
FUND BALANCES (DEFICIT), beginning of year	<u>293,824</u>	<u>293,824</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 263,824</u>	<u>\$ 234,711</u>	<u>\$ (29,113)</u>

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, 2024**

	CDBG Dundee Phase II Fund		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	-	-	-
Intergovernmental	\$ 400,000	\$ 198,941	\$ (201,059)
Charges for services	-	-	-
Court fees, fines and forfeitures	-	-	-
Investment income	-	-	-
Other	-	-	-
Total revenues	<u>400,000</u>	<u>198,941</u>	<u>(201,059)</u>
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Health and welfare	-	-	-
Housing and development	400,000	198,951	201,049
Total expenditures	<u>400,000</u>	<u>198,951</u>	<u>201,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(10)</u>	<u>(10)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(10)	(10)
FUND BALANCES, beginning of year	<u>10</u>	<u>10</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ (10)</u>

Department of Justice Fund			National Opioid Settlement Fund		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 202,027	\$ 202,027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	202,027	202,027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	202,027	202,027
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	202,027	202,027
11,844	11,844	-	162,190	162,190	-
\$ 11,844	\$ 11,844	\$ -	\$ 162,190	\$ 364,217	\$ 202,027

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, 2024**

	2016 SPLOST Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ 18,084	\$ 18,084
Investment income	-	5,868	5,868
Total revenues	-	23,952	23,952
EXPENDITURES			
Current:			
General government	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	23,952	23,952
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	23,952	23,952
FUND BALANCES, beginning of year	112,711	112,711	-
FUND BALANCES, end of year	\$ 112,711	\$ 136,663	\$ 23,952

GMA Lease Pool Debt Service		
Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -
129,750	115,029	(14,721)
<u>129,750</u>	<u>115,029</u>	<u>(14,721)</u>
-	-	-
-	-	-
129,750	128,748	1,002
<u>129,750</u>	<u>128,748</u>	<u>1,002</u>
-	(13,719)	(13,719)
522,500	522,500	-
(522,500)	(72,827)	449,673
<u>-</u>	<u>449,673</u>	<u>449,673</u>
-	435,954	435,954
2,672,232	2,672,232	-
<u>\$ 2,672,232</u>	<u>\$ 3,108,186</u>	<u>\$ 435,954</u>

(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, 2024**

	2015 Airport Debt Service		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Sales taxes	\$ -	\$ -	\$ -
Investment income	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
General government	31,025	31,024	1
Debt service:			
Principal	267,500	267,500	-
Interest	70,190	70,188	2
Total expenditures	368,715	368,712	3
Excess (deficiency) of revenues over (under) expenditures	(368,715)	(368,712)	(3)
OTHER FINANCING SOURCES (USES)			
Transfers in	368,715	368,712	3
Transfers out	-	-	-
Total other financing sources (uses)	368,715	368,712	3
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	\$ -	\$ -	\$ -

2022 T-SPLOST Debt Service		
Final Budget	Actual	Variance With Final Budget
\$ 2,381,750	\$ 6,932,154	\$ 4,550,404
-	84,910	84,910
<u>2,381,750</u>	<u>7,017,064</u>	<u>4,635,314</u>
-	-	-
1,930,000	1,930,000	-
451,750	451,750	-
<u>2,381,750</u>	<u>2,381,750</u>	<u>-</u>
-	4,635,314	4,635,314
-	-	-
-	(2,987,520)	(2,987,520)
-	<u>(2,987,520)</u>	<u>(2,987,520)</u>
-	1,647,794	1,647,794
2,892,686	2,892,686	-
<u>\$ 2,892,686</u>	<u>\$ 4,540,480</u>	<u>\$ 1,647,794</u>

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, 2024**

	Capital Projects General		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	-	-	-
Investment income	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	-	-	-
Capital outlay	217,500	-	217,500
Debt service:			
Fiscal agent fees	-	-	-
Total expenditures	<u>217,500</u>	<u>-</u>	<u>217,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(217,500)</u>	<u>-</u>	<u>217,500</u>
OTHER FINANCING SOURCES			
Transfers in	20,000	-	(20,000)
Total other financing sources	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net change in fund balances	(197,500)	-	197,500
FUND BALANCES, beginning of year	<u>197,508</u>	<u>197,508</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 8</u>	<u>\$ 197,508</u>	<u>\$ 197,500</u>

Impact Fees			2016 SPLOST Capital Projects		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
527,545	1,296,591	769,046	-	-	-
16,640	48,373	31,733	200,000	219,582	19,582
<u>544,185</u>	<u>1,344,964</u>	<u>800,779</u>	<u>200,000</u>	<u>219,582</u>	<u>19,582</u>
16,190	45,785	(29,595)	-	-	-
3,904,800	-	3,904,800	9,106,600	5,817,384	3,289,216
-	-	-	-	-	-
<u>3,920,990</u>	<u>45,785</u>	<u>3,875,205</u>	<u>9,106,600</u>	<u>5,817,384</u>	<u>3,289,216</u>
(3,376,805)	1,299,179	4,675,984	(8,906,600)	(5,597,802)	3,308,798
-	-	-	-	-	-
-	-	-	-	-	-
(3,376,805)	1,299,179	4,675,984	(8,906,600)	(5,597,802)	3,308,798
4,581,068	4,581,068	-	6,761,408	6,761,408	-
<u>\$ 1,204,263</u>	<u>\$ 5,880,247</u>	<u>\$ 4,675,984</u>	<u>\$ (2,145,192)</u>	<u>\$ 1,163,606</u>	<u>\$ 3,308,798</u>

(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, 2024**

	2022 T-SPLOST Capital Project		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 5,851,000	\$ 1,586,013	\$ (4,264,987)
Charges for services	-	-	-
Investment income	200,000	32,665	(167,335)
Total revenues	<u>6,051,000</u>	<u>1,618,678</u>	<u>(4,432,322)</u>
EXPENDITURES			
Current:			
General government	-	-	-
Capital outlay	10,946,000	5,702,947	5,243,053
Debt service:			
Fiscal agent fees	5,000	-	5,000
Total expenditures	<u>10,951,000</u>	<u>5,702,947</u>	<u>5,248,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,900,000)</u>	<u>(4,084,269)</u>	<u>815,731</u>
OTHER FINANCING SOURCES			
Transfers in	-	2,987,520	2,987,520
Total other financing sources	<u>-</u>	<u>2,987,520</u>	<u>2,987,520</u>
Net change in fund balances	(4,900,000)	(1,096,749)	3,803,251
FUND BALANCES, beginning of year	<u>9,399,571</u>	<u>9,399,571</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,499,571</u>	<u>\$ 8,302,822</u>	<u>\$ 3,803,251</u>

SPALDING COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2016 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
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	1,238,955	-	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	603,189	-	603,189
Acquisition and construction of a pickleball facility	957,000	957,000	1,608,673	-	1,608,673
Fairmont Park improvements	920,000	920,000	994,276	-	994,276
Heritage Park improvements	995,000	3,338,702	2,502,439	97,194	2,599,633
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	380,102	-	380,102
Acquisition and equipping of fire trucks, tankers and extraction tools for the Fire Department	831,000	831,000	744,293	-	744,293
Renovation of the Animal Control facility	1,185,000	1,185,000	2,316,199	-	2,316,199
Acquisition and equipping of materials for the Griffin-Spalding Library System	250,000	250,000	242,926	-	242,926
Improvements to AMBUCS Park, City Park, Dundee Lake Park, and Wyomia Tyus Park	1,031,700	1,031,700	832,527	-	832,527
Construction and equipping of a new aquatics center	4,690,000	10,092,242	4,901,328	5,720,190	10,621,518
Acquisition of vehicles and equipment for the Sheriff's Department Gang Reduction and Intervention Program ("GRIP")	270,000	270,000	253,712	-	253,712
Roads, streets, bridges, transportation improvements, and equipment	8,705,851	8,705,851	8,797,535	-	8,797,535
City of Orchard Hill	491,452	491,452	415,113	-	415,113
City of Sunny Side	352,430	352,430	86,074	-	86,074
Bond interest expense	1,625,167	1,625,167	1,160,667	-	1,160,667
	<u>\$ 28,056,000</u>	<u>\$ 35,801,944</u>	<u>\$ 30,750,646</u>	<u>5,817,384</u>	<u>\$ 36,568,030</u>

SPALDING COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2022 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Acquisition of bus for use by senior citizens and other residents	\$ 400,000	\$ 400,000	\$ 550,000	\$ -	\$ 550,000
Equipment	2,500,000	2,500,000	1,436,625	84,500	1,521,125
Resurfacing of approximately 103 miles of roads and sidewalk and pedestrian connectivity and continuity	32,300,000	29,105,305	6,747,228	5,618,447	12,365,675
Dirt road improvements	2,500,000	2,500,000	-	-	-
Bond interest expense	<u>1,694,695</u>	<u>1,694,695</u>	<u>167,817</u>	<u>-</u>	<u>167,817</u>
	<u>\$ 39,394,695</u>	<u>\$ 36,200,000</u>	<u>\$ 8,901,670</u>	<u>\$ 5,702,947</u>	<u>\$ 14,604,617</u>

CUSTODIAL FUNDS

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SPALDING COUNTY, GEORGIA

CUSTODIAL 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 FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ASSETS				
Cash	\$ 2,218,143	\$ 309,831	\$ 23,091	\$ 363,431
Taxes receivable	<u>2,897,215</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 5,115,358</u>	<u>\$ 309,831</u>	<u>\$ 23,091</u>	<u>\$ 363,431</u>
LIABILITIES				
Due to others	<u>\$ 4,995,328</u>	<u>\$ 18,537</u>	<u>\$ 5,360</u>	<u>\$ 139,276</u>
NET POSITION				
Restricted for individuals, organizations and other governments	<u>\$ 120,030</u>	<u>\$ 291,294</u>	<u>\$ 17,731</u>	<u>\$ 224,155</u>

<u>Correctional Institution</u>	<u>Sheriff</u>	<u>Custodial Funds Total</u>
\$ 90,252	\$ 837,829	\$ 3,842,577
-	-	2,897,215
<u>\$ 90,252</u>	<u>\$ 837,829</u>	<u>\$ 6,739,792</u>
<u>\$ 55,400</u>	<u>\$ -</u>	<u>\$ 5,213,901</u>
<u>\$ 34,852</u>	<u>\$ 837,829</u>	<u>\$ 1,525,891</u>

SPALDING COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>
ADDITIONS				
Taxes collected	\$ 65,032,648	\$ -	\$ -	\$ -
Fines and fees collected	-	475,531	65,040	2,645,802
Total additions	<u>65,032,648</u>	<u>475,531</u>	<u>65,040</u>	<u>2,645,802</u>
DEDUCTIONS				
Taxes disbursed	65,039,232	-	-	-
Fines and fees disbursed	-	449,835	66,866	2,639,037
Total deductions	<u>65,039,232</u>	<u>449,835</u>	<u>66,866</u>	<u>2,639,037</u>
Change in net position	(6,584)	25,696	(1,826)	6,765
Net position, beginning of year	<u>126,614</u>	<u>265,598</u>	<u>19,557</u>	<u>217,390</u>
Net position, end of year	<u>\$ 120,030</u>	<u>\$ 291,294</u>	<u>\$ 17,731</u>	<u>\$ 224,155</u>

<u>Correctional Institution</u>	<u>Sheriff</u>	<u>Custodial Funds Total</u>
\$ -	\$ -	\$ 65,032,648
411,204	381,753	3,979,330
<u>411,204</u>	<u>381,753</u>	<u>69,011,978</u>
-	-	65,039,232
431,708	225,189	3,812,635
<u>431,708</u>	<u>225,189</u>	<u>68,851,867</u>
(20,504)	156,564	160,111
55,356	681,265	1,365,780
<u>\$ 34,852</u>	<u>\$ 837,829</u>	<u>\$ 1,525,891</u>

COMPONENT UNIT – WATER AUTHORITY

SPALDING COUNTY, GEORGIA

STATEMENT OF NET POSITION COMPONENT UNIT - WATER AUTHORITY JUNE 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 15,843,536
Accounts receivable	1,569,741
Due from primary government	2,040
Restricted assets, cash and cash equivalents	1,141,386
	<hr/>
Total current assets	18,556,703
NON-CURRENT ASSETS	
Capital assets:	
Capital assets, non-depreciable	57,513
Capital assets, depreciable, net of accumulated depreciation	23,297,667
	<hr/>
Total capital assets	23,355,180
Total non-current assets	23,355,180
	<hr/>
Total assets	41,911,883
	<hr/>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	24,990
Due to primary government	44,013
Accrued liabilities	9,918
Current portion of compensated absences payable	21,748
Current portion of bonds payable from restricted assets	1,005,000
Accrued interest	66,096
	<hr/>
Total current liabilities	1,171,765
NON-CURRENT LIABILITIES	
Compensated absences payable, net of current portion	14,498
Bonds payable, net of current portion	4,556,252
	<hr/>
Total non-current liabilities	4,570,750
Total liabilities	5,742,515
	<hr/>
NET POSITION	
Net investment in capital assets	17,793,928
Unrestricted	18,375,440
	<hr/>
Total net position	\$ 36,169,368
	<hr/> <hr/>

SPALDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION COMPONENT UNIT - WATER AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OPERATING REVENUES	
Charges for services	\$ 10,690,361
Total operating revenues	<u>10,690,361</u>
OPERATING EXPENSES	
Personnel services and employee benefits	690,600
Contracted services	6,571,936
Material and supplies	385,411
Other operating expenses	469,672
Depreciation	797,226
Total operating expenses	<u>8,914,845</u>
Operating income	<u>1,775,516</u>
NON-OPERATING INCOME (EXPENSES)	
Interest income	320,361
Interest expense	(268,506)
Total non-operating income, net	<u>51,855</u>
Income before capital contribution	1,827,371
CAPITAL CONTRIBUTION	<u>198,951</u>
Change in net position	2,026,322
NET POSITION, beginning of year	<u>34,143,046</u>
NET POSITION, end of year	<u>\$ 36,169,368</u>

SPALDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS COMPONENT UNIT - WATER AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 10,693,041
Payments to employees	(665,635)
Payments to suppliers for goods and services provided	<u>(7,598,701)</u>
Net cash provided by operating activities	<u>2,428,705</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,650,400)
Proceeds from sale of capital assets	26,976
Principal payments on long-term borrowings	(975,000)
Interest payments on long-term borrowings	<u>(339,906)</u>
Net cash used in capital and related financing activities	<u>(2,938,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>320,361</u>
Net cash provided by investing activities	<u>320,361</u>
Net decrease in cash and cash equivalents	(189,264)
Cash and cash equivalents, beginning of year	<u>17,174,186</u>
Cash and cash equivalents, end of year	<u><u>\$ 16,984,922</u></u>
Reconciliation to the statement of net position:	
Cash and cash equivalents	\$ 15,843,536
Restricted cash and cash equivalents	<u>1,141,386</u>
Total	<u><u>\$ 16,984,922</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,775,516
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	797,226
Increase in accounts receivable	(259,555)
Decrease in due from primary government	262,235
Increase in accrued liabilities	24,965
Decrease in accounts payable	(215,695)
Increase in due to primary government	<u>44,013</u>
Net cash provided by operating activities	<u><u>\$ 2,428,705</u></u>
Schedule of non-cash capital and related financing activities:	
Contributions of capital assets from primary government	\$ 198,951
	<u><u>\$ 198,951</u></u>

III. STATISTICAL SECTION

STATISTICAL SECTION

This part of Spalding County, Georgia's (the "County") Annual Comprehensive Financial Report ("ACFR") 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.

<u>Contents</u>	<u>Page</u>
Financial Trends	116 – 123
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	124 – 129
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	130 – 133
<i>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.</i>	
Demographic and Economic Information	134 – 136
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	137 – 140
<i>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.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

SPALDING COUNTY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Primary government:					
Governmental activities:					
Investment in capital assets	\$ 85,020,018	\$ 80,220,168	\$ 84,145,000	\$ 81,899,912	\$ 81,336,766
Restricted	22,977,148	22,603,433	18,546,505	16,753,035	21,399,966
Unrestricted	(4,259,173)	(3,484,551)	(5,647,943)	(6,092,143)	(3,862,370)
Total primary government net position	<u>\$ 103,737,993</u>	<u>\$ 99,339,050</u>	<u>\$ 97,043,562</u>	<u>\$ 92,560,804</u>	<u>\$ 98,874,362</u>

Fiscal Year Ended June 30,				
2020	2021	2022	2023	2024
\$ 77,247,114	\$ 80,199,921	\$ 73,120,794	\$ 84,041,840	\$ 85,169,029
24,951,060	25,942,428	36,338,048	26,191,903	29,016,989
(11,704,117)	(16,012,886)	(7,805,340)	3,254,770	6,603,423
<u>\$ 90,494,057</u>	<u>\$ 90,129,463</u>	<u>\$ 101,653,502</u>	<u>\$ 113,488,513</u>	<u>\$ 120,789,441</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 5,496,857	\$ 6,313,727	\$ 9,048,366	\$ 7,094,473	\$ 6,398,786
Judicial	4,938,181	4,801,190	4,454,124	4,749,565	4,754,535
Public safety	27,544,324	28,428,857	30,304,644	32,043,298	32,358,206
Public works	2,688,331	4,512,690	4,683,035	6,655,312	4,665,063
Health and welfare	574,334	576,772	559,589	994,880	1,024,892
Culture and recreation	2,499,384	3,071,094	2,302,041	3,192,941	2,876,231
Housing and development	1,830,357	5,636,437	3,518,215	4,590,713	1,360,182
Interest on long-term debt	364,470	759,213	432,502	558,406	584,771
Total primary government expenses	<u>\$ 45,936,238</u>	<u>\$ 54,099,980</u>	<u>\$ 55,302,516</u>	<u>\$ 59,879,588</u>	<u>\$ 54,022,666</u>
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,318,583	\$ 2,060,790	\$ 2,073,456	\$ 1,783,252	\$ 1,662,159
Judicial	1,624,499	1,683,399	1,680,909	2,403,684	2,415,084
Public safety	5,654,678	5,757,601	5,817,893	6,354,027	6,756,048
Other activities	551,090	580,049	581,784	1,071,279	1,384,558
Operating grants and contributions	1,437,094	1,566,317	1,755,962	1,693,743	1,790,001
Capital grants and contributions	6,917	43,316	61,735	543,005	348,719
Total primary government program revenues	<u>\$ 11,592,861</u>	<u>\$ 11,691,472</u>	<u>\$ 11,971,739</u>	<u>\$ 13,848,990</u>	<u>\$ 14,356,569</u>
Net (expense)/revenue					
Total primary government net expense	<u>\$ (34,343,377)</u>	<u>\$ (42,408,508)</u>	<u>\$ (43,330,777)</u>	<u>\$ (46,030,598)</u>	<u>\$ (39,666,097)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 23,979,331	\$ 25,227,897	\$ 25,102,166	\$ 25,483,255	\$ 27,825,071
Alcoholic beverage taxes	333,273	344,805	340,499	320,121	338,099
Vehicle taxes	2,481,082	2,349,670	2,297,219	2,438,219	2,702,707
Sales taxes	9,376,475	6,749,243	9,704,870	10,235,164	11,051,719
Intangible taxes	198,185	268,726	300,393	354,537	366,664
Insurance premium taxes	1,964,919	2,104,227	2,239,234	2,420,573	2,610,028
Hotel/motel taxes	121,465	98,582	178,892	184,931	294,857
Other taxes	525,761	754,005	737,194	767,605	679,187
Unrestricted investment earnings	142,586	112,410	134,822	112,951	111,323
Total primary government	<u>\$ 39,123,077</u>	<u>\$ 38,009,565</u>	<u>\$ 41,035,289</u>	<u>\$ 42,317,356</u>	<u>\$ 45,979,655</u>
Change in Net Position					
Total primary government	<u>\$ 4,779,700</u>	<u>\$ (4,398,943)</u>	<u>\$ (2,295,488)</u>	<u>\$ (3,713,242)</u>	<u>\$ 6,313,558</u>

Fiscal Year Ended June 30,				
2020	2021	2022	2023	2024
\$ 9,864,438	\$ 12,527,377	\$ 7,406,448	\$ 15,671,575	\$ 11,392,599
6,428,585	5,400,942	5,068,086	6,425,300	6,923,143
42,576,772	38,922,165	35,454,459	40,945,461	47,523,540
7,132,495	6,190,601	6,389,904	11,441,562	10,859,741
1,115,190	1,150,150	1,060,857	1,248,952	1,122,812
4,293,452	3,951,680	3,373,669	4,079,429	5,428,436
1,654,013	2,751,724	2,130,672	2,815,720	2,187,869
567,532	588,107	795,380	881,499	895,855
<u>\$ 73,632,477</u>	<u>\$ 71,482,746</u>	<u>\$ 61,679,475</u>	<u>\$ 83,509,498</u>	<u>\$ 86,333,995</u>
\$ 1,769,137	\$ 1,772,658	\$ 1,833,552	\$ 1,396,184	\$ 1,097,105
2,089,267	2,254,470	2,308,226	2,466,064	2,848,183
6,825,059	6,133,089	6,942,121	6,712,836	6,781,516
1,172,580	1,906,201	1,611,146	1,702,277	1,588,139
2,933,777	3,704,577	1,807,377	15,795,964	3,577,011
345,137	1,394,507	929,326	1,966,238	8,848,622
<u>\$ 15,134,957</u>	<u>\$ 17,165,502</u>	<u>\$ 15,431,748</u>	<u>\$ 30,039,563</u>	<u>\$ 24,740,576</u>
<u>\$ (58,497,520)</u>	<u>\$ (54,317,244)</u>	<u>\$ (46,247,727)</u>	<u>\$ (53,469,935)</u>	<u>\$ (61,593,419)</u>
\$ 29,768,448	\$ 30,772,322	\$ 33,294,791	\$ 39,205,960	\$ 42,247,254
350,850	371,329	409,846	400,908	386,584
3,173,566	3,734,827	3,699,214	3,916,858	3,892,669
12,407,764	14,183,537	14,993,150	16,663,970	17,069,359
515,881	735,220	879,867	544,811	492,334
2,800,952	2,976,270	3,092,774	3,315,755	3,561,167
274,682	277,764	334,121	316,331	306,931
712,089	788,398	914,646	827,952	823,020
112,983	112,983	153,357	112,401	115,029
<u>\$ 50,117,215</u>	<u>\$ 53,952,650</u>	<u>\$ 57,771,766</u>	<u>\$ 65,304,946</u>	<u>\$ 68,894,347</u>
<u>\$ (8,380,305)</u>	<u>\$ (364,594)</u>	<u>\$ 11,524,039</u>	<u>\$ 11,835,011</u>	<u>\$ 7,300,928</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,734,488	1,734,488	2,065,765	1,985,941	3,931,796
Unassigned	1,562,527	2,665,611	3,383,165	3,978,741	2,293,851
Total General Fund	<u>3,297,015</u>	<u>4,400,099</u>	<u>5,448,930</u>	<u>5,964,682</u>	<u>6,225,647</u>
All Other Governmental Funds					
Restricted	23,903,282	23,487,582	19,734,391	16,666,378	21,741,099
Assigned	157,108	57,908	77,508	131,343	962,396
Unassigned	(325)	(98,329)	(80,005)	(130,871)	(109,902)
Total All Other Governmental Funds	<u>24,060,065</u>	<u>23,447,161</u>	<u>19,731,894</u>	<u>16,666,850</u>	<u>22,593,593</u>
Total Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	24,150,690	23,903,282	23,487,582	19,734,391	16,666,378
Assigned	1,661,662	1,891,596	1,791,996	2,143,273	2,117,284
Unassigned	1,138,875	1,562,202	2,567,282	3,303,160	3,847,870
Total Governmental Funds	<u>\$ 26,951,227</u>	<u>\$ 27,357,080</u>	<u>\$ 27,846,860</u>	<u>\$ 25,180,824</u>	<u>\$ 22,631,532</u>

Fiscal Year Ended June 30,				
2020	2021	2022	2023	2024
\$ -	\$ -	\$ 42	\$ 42	\$ 42
4,428,705	4,858,640	10,756,656	2,363,466	1,815,469
7,777,752	5,439,610	1,088,508	17,518,061	23,522,338
<u>12,206,457</u>	<u>10,298,250</u>	<u>11,845,206</u>	<u>19,881,569</u>	<u>25,337,849</u>
25,914,169	27,211,125	37,509,210	31,864,520	30,940,223
159,593	277,411	1,529,398	3,915,588	3,915,588
<u>(77,448)</u>	<u>(16,279)</u>	<u>(16,279)</u>	<u>(8,340)</u>	<u>(8,340)</u>
<u>25,996,314</u>	<u>27,472,257</u>	<u>39,022,329</u>	<u>35,771,768</u>	<u>34,847,471</u>
-	-	-	42	42
21,741,099	25,914,169	27,211,125	31,864,520	30,940,223
4,894,192	4,588,298	5,136,051	6,279,054	5,731,057
2,183,949	7,700,304	5,423,331	17,509,721	23,513,998
<u>\$ 28,819,240</u>	<u>\$ 38,202,771</u>	<u>\$ 37,770,507</u>	<u>\$ 55,653,337</u>	<u>\$ 60,185,320</u>

SPALDING COUNTY, GEORGIA

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

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
REVENUES					
Taxes	\$ 39,399,484	\$ 38,044,455	\$ 40,931,615	\$ 41,809,792	\$ 44,605,309
Licenses and permits	446,798	418,321	392,243	444,861	543,445
Intergovernmental	1,430,352	1,464,375	1,572,996	2,720,819	2,935,975
Court fees, fines and forfeitures	1,649,797	1,574,445	1,553,137	2,346,158	2,204,448
Charges for services	6,476,550	6,395,476	6,303,136	6,588,044	7,093,240
Interest	149,490	122,429	165,022	222,788	341,954
Contributions and donations	6,515	7,190	15,310	13,465	12,547
Rentals	230,493	200,242	194,690	194,408	194,330
Other	1,345,439	1,588,107	1,878,492	2,150,224	2,246,691
Total revenues	<u>51,134,918</u>	<u>49,815,040</u>	<u>53,006,641</u>	<u>56,490,559</u>	<u>60,177,939</u>
EXPENDITURES					
General government	4,787,118	5,601,742	6,159,612	7,083,845	6,279,108
Judicial	4,453,014	4,209,749	4,396,908	4,722,297	4,798,893
Public safety	28,032,298	28,089,221	28,851,742	29,508,660	31,042,684
Public works	3,291,378	3,544,994	3,712,824	4,279,733	5,279,609
Health and welfare	572,952	555,399	542,743	976,264	1,006,296
Culture and recreation	2,596,783	2,469,123	2,543,356	2,822,324	3,003,876
Housing and development	859,778	896,855	1,293,733	1,111,086	1,280,492
Intergovernmental	304,851	312,493	-	-	-
Capital outlay	1,259,214	9,370,601	8,347,006	7,738,743	1,140,703
Debt service:					
Principal	4,140,010	3,306,685	-	58,817	362,108
Interest	431,669	438,481	381,967	504,452	578,032
Issuance costs	-	250,572	-	-	-
Total expenditures	<u>50,729,065</u>	<u>59,045,915</u>	<u>56,229,891</u>	<u>58,806,221</u>	<u>54,771,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>405,853</u>	<u>(9,230,875)</u>	<u>(3,223,250)</u>	<u>(2,315,662)</u>	<u>5,406,138</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,799,381	2,924,615	2,579,853	2,662,287	3,120,878
Transfers out	(1,799,381)	(2,924,615)	(2,579,853)	(2,662,287)	(3,120,878)
General obligation bonds issued	-	8,800,000	-	-	-
Premium on bond issued	-	1,019,527	-	-	-
Capital leases	-	-	458,342	-	547,940
Financed purchases issued	-	-	-	-	-
Leases issued	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,819,527</u>	<u>458,342</u>	<u>-</u>	<u>547,940</u>
Net change in fund balances	<u>\$ 405,853</u>	<u>\$ 588,652</u>	<u>\$ (2,764,908)</u>	<u>\$ (2,315,662)</u>	<u>\$ 5,954,078</u>
Debt Service as a Percentage of Non-capital Expenditures	9.62%	6.85%	0.79%	1.03%	1.86%

Fiscal Year Ended June 30,

	2020	2021	2022	2023	2024
\$	49,534,574	\$ 54,124,918	\$ 57,626,520	\$ 65,260,744	\$ 68,688,026
	500,423	978,071	681,870	751,952	637,899
	2,915,204	4,769,254	2,633,042	16,730,165	11,322,088
	1,983,126	1,964,327	1,795,694	2,179,015	2,689,495
	7,124,450	7,231,672	7,394,050	7,232,873	7,116,215
	312,438	144,945	176,514	1,030,338	634,112
	31,035	4,695	17,340	18,133	168,144
	196,828	190,396	182,203	38,343	41,349
	2,307,375	2,589,464	2,704,392	2,171,145	2,246,303
	<u>64,905,453</u>	<u>71,997,742</u>	<u>73,211,625</u>	<u>95,412,708</u>	<u>93,543,631</u>
	8,362,276	12,239,923	7,600,024	15,292,119	9,464,043
	4,987,513	5,137,452	5,489,666	6,295,962	6,762,978
	31,789,250	34,837,175	36,289,000	39,791,333	40,189,912
	4,595,151	4,696,304	5,951,803	6,787,494	8,574,764
	973,796	1,122,462	1,113,663	1,223,958	1,112,017
	3,176,433	2,952,576	3,340,186	3,740,159	4,499,548
	1,489,274	2,722,062	2,174,445	2,791,519	2,162,087
	-	-	-	-	-
	4,137,636	4,652,555	5,001,603	12,184,547	14,221,389
	372,799	3,284,000	3,548,846	3,876,569	4,177,689
	567,379	641,075	500,092	878,892	1,025,724
	-	-	164,467	3,350	-
	<u>60,451,507</u>	<u>72,285,584</u>	<u>71,173,795</u>	<u>92,865,902</u>	<u>92,190,151</u>
	<u>4,453,946</u>	<u>(287,842)</u>	<u>2,037,830</u>	<u>2,546,806</u>	<u>1,353,480</u>
	1,731,849	3,931,513	5,757,526	12,578,074	4,870,300
	(1,731,849)	(3,931,513)	(5,757,526)	(12,578,074)	(4,870,300)
	-	-	10,000,000	-	-
	-	-	914,776	-	-
	4,929,585	-	-	-	-
	-	-	-	-	3,031,719
	-	-	-	1,570,906	146,784
	<u>4,929,585</u>	<u>-</u>	<u>10,914,776</u>	<u>1,570,906</u>	<u>3,178,503</u>
\$	<u>9,383,531</u>	<u>\$ (287,842)</u>	<u>\$ 12,952,606</u>	<u>\$ 4,117,712</u>	<u>\$ 4,531,983</u>
	1.69%	5.77%	6.37%	5.90%	6.67%

SPALDING COUNTY, GEORGIA

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

Fiscal Year	Assessed Value					Less: Tax Exempt Property	Total Taxable Assessed Value
	Real and Personal Property	Motor Vehicle and Mobile Home	Timber	Heavy Timber			
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	
2019	1,647,661,035	39,346,196	414,506	227,080	195,602,397	1,492,046,420	
2020	1,805,581,377	33,679,986	476,686	341,532	222,529,078	1,617,550,503	
2021	1,871,596,468	28,964,911	476,686	405,035	216,728,158	1,684,714,942	
2022	2,016,703,437	25,881,747	289,681	467,766	228,959,713	1,814,382,918	
2023	2,388,274,091	29,364,459	769,868	1,017,794	295,451,753	2,123,974,459	
2024	2,939,790,399	31,645,554	209,093	900,282	403,742,891	2,568,802,437	

SOURCE:

Spalding County Board of Equalization and Assessment

Total Taxable Property		Assessed Value as a Percentage of Actual Value
Total Direct Tax Rate	Estimated Actual Value	
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%
16.54	3,730,116,050	40%
16.54	4,043,876,258	40%
16.14	4,211,787,355	40%
16.14	4,535,957,295	40%
16.14	5,309,936,148	40%
15.59	6,422,006,093	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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Spalding County direct rates:										
Unincorporated maintenance and operations	19.62	19.60	19.32	18.85	19.95	19.93	19.67	19.83	19.65	18.70
Sales tax reduction	(3.61)	(3.59)	(3.66)	(3.49)	(3.42)	(3.40)	(3.53)	(3.70)	(3.51)	(3.11)
Total direct rate	16.01	16.01	15.66	15.36	16.53	16.53	16.14	16.13	16.14	15.59
Municipal rates:										
City of Griffin:										
Maintenance and operations	7.89	7.89	7.77	7.64	7.64	7.08	7.08	7.08	7.08	6.25
City of Orchard Hill maintenance and operations										
	6.31	6.31	6.31	5.94	5.94	5.61	5.63	5.59	5.59	5.07
City of Sunny Side maintenance and operations										
	5.00	5.00	5.00	5.00	5.00	4.79	4.72	4.64	6.00	5.56
Fire protection (1)	6.22	6.31	5.91	5.84	6.06	6.11	6.11	5.92	5.59	5.41
Insurance premium rollback (1)	(2.05)	(2.14)	(2.30)	(2.23)	(2.45)	(2.50)	(2.50)	(2.44)	(2.11)	(1.93)
Board of Education	19.47	18.74	18.57	18.20	18.07	17.08	16.74	16.74	16.74	16.74
State of Georgia	0.10	0.05	-	-	-	-	-	-	-	-
Total Unincorporated Spalding County	39.75	38.97	37.84	37.17	38.21	37.23	36.49	36.36	36.36	35.81
Total Municipalities:										
City of Griffin	43.47	42.69	42.00	41.20	42.24	40.70	39.96	39.96	39.96	38.59
City of Orchard Hill	41.89	41.11	40.54	39.51	40.54	39.23	38.51	38.47	38.47	37.40
City of Sunny Side	40.58	39.80	39.23	38.56	39.60	38.41	37.60	37.52	38.88	37.89

SOURCE:

Spalding County Tax Commissioner's Office

NOTE:

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

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SPALDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2024</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Pulte Home Company LLC	Sun City Peachtree retirement community	\$ 20,253,756	1	0.79%
Caterpillar, Inc.	Commercial refrigeration systems	14,540,033	2	0.57%
Central Georgia EMC	Public Utility	14,081,144	3	0.55%
Toppan USA, INC	Flexible packaging manufacturing	13,975,472	4	0.54%
North Griffin Square	Retail	10,427,264	5	0.41%
Hoshizaki Americas, Inc.	Commercial refrigeration systems	10,421,675	6	0.41%
Bridgestone Bandag LLC	Retread Tire Manufacturer	8,421,037	7	0.33%
Central Georgia EMC	Public utility	8,720,551	8	0.34%
BVA Spalding LLC	Shopping Center	7,800,000	9	0.30%
RPM Living Investments	Residential Apartments	6,769,540	10	0.26%
Griffin Crossroads	Apartment Homes	-	-	-
Tenet/Spalding Regional Hospital	Hospital/health care	-	-	-
Transcontinental US LLC	Flexible packaging manufacturing	-	-	-
A E P Industries	Packaging film manufacturing	-	-	-
Norfolk Southern Corporation	Public utility	-	-	-
Total		<u>\$ 115,410,472</u>		<u>4.49%</u>

SOURCE:
Spalding County Tax Commissioner's Office

Fiscal Year 2015		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ -	-	-
38,400,433	1	2.82%
37,513,812	2	2.76%
-	-	-
-	-	-
11,801,206	4	0.87%
8,470,550	8	0.62%
7,146,798	9	0.53%
-	-	-
9,188,196	7	0.68%
-	-	-
15,877,628	3	1.17%
10,409,719	6	0.77%
11,362,331	5	0.84%
5,715,115	10	0.42%
<u>\$ 155,885,786</u>		<u>11.46%</u>

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
2015	\$ 21,782,510	\$ 19,683,567	90.36%	\$ 1,026,097	\$ 20,709,664	95.07%
2016	22,338,600	20,805,491	93.14%	821,557	21,627,048	96.81%
2017	22,489,752	20,797,500	92.48%	837,269	21,634,769	96.20%
2018	22,465,824	21,133,423	94.07%	713,917	21,847,340	97.25%
2019	24,670,669	22,691,502	91.98%	629,708	23,321,210	94.53%
2020	26,175,770	24,430,912	93.33%	897,358	25,328,270	96.76%
2021	27,187,930	25,437,745	93.56%	562,313	26,000,058	95.63%
2022	29,280,512	26,301,680	89.83%	850,717	27,152,397	98.73%
2023	34,276,700	32,035,409	93.46%	770,173	32,035,409	98.72%
2024	39,275,097	37,592,525	95.72%	-	37,592,525	95.72%

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	Lease Liability	Finance Purchase Obligations	Total Debt	Percentage of Personal Income (2)	Total Debt Per Capita (2)
2015	\$ -	\$ 4,620,000	\$ -	\$ -	\$ 1,186,684	\$ 5,806,684	0.30%	\$ 91
2016	9,819,527	2,500,000	-	-	-	12,319,527	0.61%	191
2017	9,661,490	2,500,000	3,300,000	-	458,342	15,919,832	0.75%	244
2018	9,471,847	2,500,000	3,285,000	-	399,525	15,656,372	0.72%	237
2019	9,282,204	2,500,000	3,052,500	-	817,857	15,652,561	0.69%	234
2020	9,092,559	2,500,000	2,815,000	-	5,612,143	20,019,702	0.84%	297
2021	6,059,922	2,500,000	2,570,000	-	5,443,143	16,573,065	0.63%	244
2022	13,945,831	2,500,000	2,320,000	-	5,074,297	23,840,128	0.81%	349
2023	10,681,619	2,500,000	2,062,500	1,484,005	5,210,219	21,938,343	0.76%	319
2024	8,507,770	2,500,000	1,795,000	604,836	7,287,702	20,695,308	0.65%	292

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)
2015	\$ -	\$ -	\$ -	0.00%	\$ -
2016	9,819,527	253,965	9,565,562	0.27%	148
2017	9,661,490	151,150	9,510,340	0.26%	146
2018	9,471,847	572,520	8,899,327	0.24%	135
2019	9,282,204	634,522	8,647,682	0.23%	129
2020	9,092,559	3,702,694	5,389,865	0.13%	80
2021	6,059,922	3,038,100	3,021,822	0.07%	44
2022	13,945,831	5,093,302	8,852,529	0.20%	130
2023	10,681,619	4,535,235	6,146,384	0.14%	112
2024	8,507,770	4,677,113	3,830,657	0.06%	54

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.

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SPALDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Debt limit	\$ 136,055,655	\$ 139,529,044	\$ 143,612,721	\$ 146,261,872	\$ 149,204,642
Total net debt applicable to limit	-	8,800,000	8,800,000	8,800,000	8,800,000
Legal debt margin	<u>\$ 136,055,655</u>	<u>\$ 130,729,044</u>	<u>\$ 134,812,721</u>	<u>\$ 137,461,872</u>	<u>\$ 140,404,642</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	6.31%	6.13%	6.02%	5.90%

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,				
2020	2021	2022	2023	2024
\$ 161,755,050	\$ 168,471,494	\$ 181,438,292	\$ 212,548,171	\$ 256,880,244
<u>8,800,000</u>	<u>5,930,000</u>	<u>8,852,529</u>	<u>3,830,657</u>	<u>3,830,657</u>
<u>\$ 152,955,050</u>	<u>\$ 162,541,494</u>	<u>\$ 172,585,763</u>	<u>\$ 208,717,514</u>	<u>\$ 253,049,587</u>
5.44%	3.52%	4.88%	1.80%	1.49%

Legal Debt Margin Calculation for Fiscal Year 2024

Total assessed value	\$ 2,972,545,328
Less exemptions	<u>403,742,891</u>
Total taxable assessed value	2,568,802,437
Debt limit (10% of assessed value)	256,880,244
Debt applicable to limit:	
General obligation bonds	8,507,770
Less: Amount set aside for repayment of general obligation debt	<u>4,677,113</u>
Total net debt applicable to limit	<u>3,830,657</u>
Legal debt margin	<u>\$ 253,049,587</u>

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)
2015	63,826	\$ 1,944,012	\$ 30,458	10,474	8.40%
2016	64,523	2,029,856	31,459	10,261	7.00%
2017	65,348	2,120,825	32,454	10,305	6.10%
2018	66,092	2,175,022	32,909	10,383	5.10%
2019	66,835	2,268,227	33,938	10,353	4.40%
2020	67,414	2,377,913	35,273	10,207	9.80%
2021	67,306	2,615,132	38,854	9,667	5.20%
2022	68,166	2,926,749	42,936	9,540	3.50%
2023	68,919	2,891,746	41,959	9,563	3.10%
2024	70,884	3,171,492	44,742	9,400	3.70%

SOURCES:

- (1) Bureau of Economic Analysis; 2024 population is an estimate by the Georgia Governor's Office of Planning and Budget
- (2) Spalding County Board of Education
- (3) U.S. Bureau of Labor Statistics

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SPALDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	Industry	Fiscal Year 2024		
		Employees	Rank	Percentage of Total County Employment
Griffin-Spalding County School System	Education	1,488	1	5.11%
Wellstar Spalding Regional Medical Center	Hospital/health care	900	2	3.09%
Caterpillar, Inc.	Power generation systems	693	3	2.38%
CareMaster Medical	Home nursing	600	4	2.06%
Spalding County	Government	601	5	2.06%
City of Griffin	Government	466	6	1.60%
Southern Crescent Technical College	Education	452	7	1.55%
University of Georgia Griffin Campus	Agricultural research education	405	8	1.39%
1888 Mills/Southern Terry	Terry cloth towels	278	9	0.96%
AEP Industries, Inc.	Packaging film manufacturing	250	10	0.86%
Norcom	School Supplies	-	-	-
		6,133		21.07%

SOURCE:

Griffin-Spalding County Development Authority

Fiscal Year 2015		
Employees	Rank	Percentage of Total County Employment
1,457	1	4.91%
900	2	3.04%
900	3	3.04%
600	5	2.02%
646	4	2.18%
466	6	1.57%
360	8	1.21%
405	7	1.37%
-	-	-
250	10	0.84%
280	9	0.94%
<u>6,264</u>		<u>21.13%</u>

SPALDING COUNTY, GEORGIA

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

Function	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	46	48	47	49	49	50	51	49	52	52
Judicial	47	43	42	42	43	43	44	47	47	47
Public Safety										
Sheriff:										
Officers	157	157	144	176	175	175	169	169	178	183
Civilians	38	35	31	24	24	25	31	31	25	22
Correctional Institution:										
Officers	74	75	73	72	72	75	77	77	75	79
Civilians	6	7	6	10	10	10	7	4	9	5
Fire:										
Firefighters and officers	82	81	74	81	81	81	81	81	81	81
Civilians	1	1	1	1	1	1	1	1	1	1
Animal Control	5	5	5	5	5	5	5	6	6	6
Coroner	1	1	1	1	1	1	1	1	1	1
Emergency 911	26	26	24	26	26	26	26	26	29	28
800 MHz Communications	1	1	1	1	1	1	1	2	2	2
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	32	32	26	32	32	33	33	33	33	35
Solid waste	9	10	9	10	10	10	10	11	11	11
Health and Welfare	1	5	5	5	6	5	5	5	5	5
Culture and Recreation	31	34	32	38		37	37	38	41	41
Housing and Development	12	12	12	14	11	10	11	12	13	13
Total Governmental Funds	573	576	537	590	548	590	593	598	614	617

SOURCE:

Spalding County Human Resources Department

SPALDING COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Sheriff:										
Physical arrests	1,764	1,376	5,254	2,978	1,827	3,149	2,510	4,464	4,148	3,778
Traffic violations	679	640	1,693	3,395	3,903	3,709	3,775	4,502	8,088	6,167
Fire District:										
Calls answered	2,379	3,534	3,442	3,944	2,959	2,709	3,076	4,082	4,682	4,487
Inspections	265	512	457	334	697	315	395	339	356	460
Public Works										
Street resurfacing (miles)	-	15	17	12	-	13	13	4	22	20

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 Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Sheriff:										
Detention facilities	2	2	2	2	2	2	2	2	2	2
Patrol units	48	50	49	49	49	54	54	55	55	50
Fire District:										
Fire stations	7	7	7	7	7	7	7	7	7	7
Fire trucks	10	12	11	12	11	12	12	12	12	12
Public Works										
Roads (miles)	451	457	457	458	458	471	472	472	473	473
Culture and Recreation										
Parks acreage	509	509	509	509	509	509	557	559	518	518
Playgrounds	13	13	13	17	21	22	24	24	25	25
Baseball/softball diamonds	20	20	20	20	20	20	20	20	18	18
Soccer fields	7	7	7	7	7	7	7	7	7	7
Football fields	2	2	2	2	2	2	2	2	2	2
Recreation centers	3	3	3	3	3	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Nature trails	1	1	1	1	1	1	1	1	1	1
Walking trails	9	9	9	10	11	11	11	11	11	11
Disc golf courses	-	1	1	2	3	4	4	4	4	4
Skate parks	1	1	1	1	1	1	1	1	1	1
Pickleball courts	-	-	-	18	18	18	18	18	18	18
Tennis courts	-	-	-	-	-	-	-	-	3	5
Bike/hiking trails	-	-	-	-	-	-	1	1	1	1
Dog park	-	-	-	-	-	-	1	1	1	1
Community garden	-	-	-	-	-	-	1	1	2	2
Pools	-	-	-	-	-	-	-	-	-	2

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

SALES TAX COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Local Option		Special Purpose		Transportation Special Purpose		Total Sales Taxes
	Sales Tax ("LOST")	Percent Increase (Decrease)	Local Option Sales Tax ("SPLOST") (1)	Percent Increase (Decrease)	Local Option Sales Tax ("TSPLOST")	Percent Increase (Decrease)	
2015	\$ 5,094,639	3.63%	\$ 4,281,836	-51.97%	\$ -	-	\$ 9,376,475
2016	5,221,840	2.50%	1,527,404	-64.33%	-	-	6,749,244
2017	5,050,019	-3.29%	4,654,851	204.76%	-	-	9,704,870
2018	5,322,643	5.40%	4,913,020	5.55%	-	-	10,235,663
2019	5,732,464	7.70%	5,319,754	8.28%	-	-	11,052,218
2020	6,220,630	8.52%	5,728,989	7.69%	-	-	11,949,619
2021	7,382,985	18.69%	6,800,551	18.70%	-	-	14,183,536
2022	7,709,304	4.42%	5,293,650	-22.16%	1,991,598	100.00%	14,994,552
2023	8,283,826	7.45%	58,210	-98.90%	8,321,933	317.85%	16,663,969
2024	8,521,001	2.86%	18,084	-68.93%	8,518,167	2.36%	17,057,252

SOURCE: Spalding County Finance Department

NOTE:

(1) The 2008 SPLOST ended December 31, 2014. The 2016 SPLOST began April 1, 2016 and ended March 31, 2022.

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	
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
2019	8,931,647	6,568,587	2,363,060	710,000	368,313	1,078,313	2.19
2020	9,244,400	6,945,144	2,299,256	810,000	331,694	1,141,694	2.01
2021	9,382,775	6,907,992	2,474,783	880,000	298,525	1,178,525	2.10
2022	10,565,422	6,810,704	3,754,718	905,000	271,750	1,176,750	3.19
2023	9,784,488	8,524,702	1,259,786	940,000	244,075	1,184,075	1.06
2024	10,690,361	8,914,845	1,775,516	975,000	214,131	1,189,131	1.49

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**

<u>Customer</u>	<u>Industry</u>	<u>Rank</u>	<u>Usage (in gallons)</u>	<u>Total Annual Billing</u>	<u>Percentage of Total Annual Charges</u>
Spalding LEC	Government	1	\$ 15,459,857	\$ 172,494	1.67 %
Trimark Northside	Apartment Homes	2	13,561,269	149,534	1.44
AEP	Packaging	3	8,383,983	95,889	0.78
Levine	Heavy Manufacturing	4	7,184,871	80,854	0.74
Caterpillar	Power Generation Systems	5	6,902,130	76,665	0.64
Pine Glen MHP	Mobile Home Park	6	5,954,090	65,804	0.61
Brightmoor	Nursing Home Facility	7	5,749,500	63,489	0.53
Spalding CI	Government	8	4,878,858	54,714	0.93
Marukan Vinegar	Manufacturing	9	3,681,659	41,165	0.40
Walker Concrete Co, LLC	Concrete Supplier	10	3,478,033	38,869	0.38
Total			<u>\$ 75,234,250</u>	<u>\$ 839,477</u>	<u>8.10 %</u>

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
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
2019	13,520	778,475,600	7.95	9.94	10.89
2020	13,804	809,041,230	7.95	9.94	10.89
2021	13,756	804,037,070	7.95	9.94	10.89
2022	14,623	805,165,620	7.95	9.94	10.89
2023	14,986	842,139,350	7.95	9.94	10.89
2024	15,285	876,075,980	8.70	10.88	11.92

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

<u>Fiscal Year</u>	<u>Total Water Cost</u>	<u>Price per 1,000 Gallons (1)</u>
2015	\$ 4,698,232	\$ 6.29
2016	4,764,166	6.60
2017	5,164,211	6.27
2018	4,794,798	6.28
2019	5,103,514	6.86
2020	5,541,020	6.74
2021	5,372,459	6.72
2022	5,518,806	7.06
2023	5,864,806	6.73
2024	6,029,966	7.21

SOURCE:
City of Griffin

SPALDING COUNTY, GEORGIA

DISCRETELY PRESENTED COMPONENT UNIT SPALDING COUNTY WATER AUTHORITY WATER CONNECTION FEES PAID TO THE CITY OF GRIFFIN - CURRENT FISCAL YEAR

Water Connection Fees (1)	
Meter Size	Cost
3/4"	\$ 1,855
1"	2,200
2" or larger	1,000
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.
- (3) On the 29th of June, 2023 the Spalding County Water and Sewerage Facilities Authority executed the formal termination of NPDES Permit No. GA0035947, pertaining to Plant #1. Simultaneously, the Authority transitioned all existing sewer customers, sewer infrastructure, and associated service areas to the City of Griffin.

IV. SUPPLEMENTAL SCHEDULE

Supplemental Schedules are used to demonstrate finance-related legal and contractual compliance, provide details of data summarized in the financial statements and present other information deemed useful

SPALDING COUNTY, GEORGIA

**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE - DHR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>State Program Name</u>	<u>Contract Number</u>	<u>Contract Period</u>	<u>Due From State June 30, 2022</u>	<u>Revenue Received</u>	<u>Expenditures</u>	<u>Due From State June 30, 2024</u>
Community Services Block Grant	42700-040-00000113038	July 2023 - September 2023	\$ 48,575	\$ 113,485	\$ 64,910	\$ -
Community Services Block Grant	42700-040-00000113038	October 2023 - June 2024	-	158,988	176,482	17,494
			<u>\$ 48,575</u>	<u>\$ 272,473</u>	<u>\$ 241,392</u>	<u>\$ 17,494</u>

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APPENDIX B

Form of Bond Counsel Opinion

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MURRAY BARNES FINISTER LLP

3525 PIEDMONT ROAD • 5 PIEDMONT CENTER • SUITE 515 • ATLANTA, GEORGIA 30305

June 18, 2025

Spalding County Water and Sewerage Facilities Authority
Griffin, Georgia

U.S. Bank Trust Company, National
Association
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Re: \$[Par Amount] Spalding County Water and Sewerage Facilities Authority Water
and Sewerage Revenue Bonds, Series 2025

To the Addressees:

We have acted as Bond Counsel to Spalding County Water and Sewerage Facilities Authority (the “**Authority**”) in connection with the issuance of \$[Par Amount] in aggregate principal amount of its Water and Sewerage Revenue Bonds, Series 2025 (the “**Series 2025 Bonds**”). In our capacity as Bond Counsel, we have examined the law and such certified proceedings, including a certified copy of the record of the validation proceeding concluded in the Superior Court of Spalding County, and other papers as we deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution.

The Series 2025 Bonds are being issued pursuant to a bond resolution adopted by the Authority on April 30, 2025, as supplemented on June 11, 2025 (the “**Resolution**”). The proceeds of the Series 2025 Bonds will be used for the purpose of (a) defeasing the Authority’s Water and Sewerage Revenue Bonds, Series 2015 (the “**Series 2015 Bonds**”), (b) making certain improvements (the “**Series 2025 Project**”) to the Authority’s water and sewerage system (the “**System**”), and (c) paying the costs of issuing the Series 2025 Bonds.

Pursuant to the Resolution, the Authority has created a lien on Net Revenues as security for the Series 2025 Bonds. The Authority has reserved the right to issue Additional Bonds under the Resolution, and if such Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2025 Bonds.

The Series 2025 Bonds are special limited obligations of the Authority and are secured by and payable solely from the Net Revenues. The Series 2025 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. No

owner of the Series 2025 Bonds shall ever have the right to compel the exercise of the taxing power of the Authority to pay the same or the interest thereon.

The Series 2025 Bonds are subject to redemption prior to maturity in the manner and on the terms specified in the Resolution.

As to the (a) adequacy of the cash and the maturing principal of and interest on the United States Treasury obligations (the “*Treasuries*”) held by U.S. Bank Trust Company, National Association, as escrow agent (the “*Escrow Agent*”), to (a) (i) pay when due the principal and interest on the Series 2015 Bonds up to and including September 1, 2025 (the “*Redemption Date*”), and (ii) redeem all of the outstanding the Series 2015 Bonds on the Redemption Date at a price equal to 100% of the principal amount thereof and (b) the yield on the Series 2025 Bonds and the yield on the Treasuries, we express no opinion herein, and refer you to the verification report, dated the date of this opinion, of Public Finance Partners LLC.

As Bond Counsel, we express no opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or any other offering materials distributed in connection with the offering or sale of the Series 2025 Bonds. We express no opinion as to the compliance by the Authority or the Underwriter with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2025 Bonds.

In rendering our opinion that the interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, we have (a) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including representations as to the use and investment of the proceeds of the Series 2015 Bonds and the Series 2025 Bonds), without undertaking to verify the same by independent investigation and (b) assumed continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2025 Bonds, the Series 2025 Project and the System and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the “*Code*”), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such certificates or representations or the noncompliance with such covenants may cause interest on the Series 2025 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2025 Bonds.

Based upon our examination and the provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Authority has the power to (a) adopt the Resolution and perform its obligations thereunder and (b) issue, execute, deliver and perform its obligations under the Series 2025 Bonds.

(2) The Resolution has been duly adopted by the Authority and constitutes the legal, valid, binding and enforceable obligation of the Authority. The Resolution creates a lien on the Net Revenues as security for the Series 2025 Bonds.

(3) The Series 2025 Bonds have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding limited obligations of the Authority payable from the Net Revenues.

(4) Interest on the Series 2025 Bonds (including any original issue discount properly allocable to the holders thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on the Series 2025 Bonds.

(5) The interest on the Series 2025 Bonds is exempt from all present Georgia income taxes.

The rights of the owners of the Series 2025 Bonds and the enforceability of the Resolution and the Series 2025 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

We are members of the State Bar of Georgia. Our opinions herein are limited to the laws of the State of Georgia and any applicable federal laws of the United States. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. This opinion is intended solely for the use of the addressees and their permitted successors and/or assigns and may not be relied upon by any other person for any purpose without our prior written consent in each instance. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

MURRAY BARNES FINISTER LLP

By: _____
A Partner

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APPENDIX C

Summary of the Bond Resolution

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APPENDIX C

SUMMARY OF THE RESOLUTION

Introduction

The following is a summary, which does not purport to be comprehensive or definitive, of the defined terms used in and certain provisions of the Resolution. Reference is made to the Resolution in its entirety for a complete recital of the detailed provisions thereof, copies of which are available from the Authority upon request.

Definitions

The following is a summary of certain of the defined terms used in the Resolution. Reference is made to the Resolution for the full definition of all terms.

“Additional Bonds” means any revenue bonds of the Authority ranking on parity with the Series 2025 Bonds which may hereafter be issued pursuant to Article V, Section 3 of the Resolution.

“Authority” means the Spalding County Water and Sewerage Facilities Authority and its successors and assigns.

“Authorized Authority Representative” shall mean the Chairman or Vice Chairman or any other individual designated from time to time to the Construction Fund Custodian by a certificate signed by an authorized signatory of the Authority to represent the Authority, which certificate shall set forth the specimen signature of such person or persons.

“Authorized Denominations” means (a) with respect to the Series 2025 Bonds, \$5,000 and any integral multiple thereof and (b) with respect to any Additional Bonds, the authorized denominations specified in the supplemental resolution authorizing such Additional Bonds.

“Balloon Indebtedness” means (a) Bonds as to which, when issued, 25% or more of the debt service thereon is due (either by maturity or mandatory redemption) during any period of 12 consecutive months, or (b) Bonds as to which, when issued, 25% or more of the original principal amount thereof may, at the option of the holder or registered owner thereof, be redeemed or repurchased at one time, which portion of the principal is not required by the documents pursuant to which such Bonds are issued to be amortized by redemption prior to such date.

“Beneficial Owner” means the owner of a beneficial interest in the Bonds registered in Book-Entry Form.

“Bond Index” means (a) with respect to any outstanding Bonds, the average interest rate on such Bonds for the twelve (12) month period ending on the last day of the month immediately preceding the last full month prior to such calculation, or if such Bonds shall have had a variable rate for less than a twelve (12) month period, the average interest rate on such Bonds for such lesser period; (b) with respect to any proposed tax-exempt Additional Bonds, at the option of the Authority, (i) the rate that is equal to the Bond Buyer Revenue Bond Index not more than 30 days prior to the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such Additional Bonds or a municipal financial advisor or firm thereof certifies that such Additional Bonds would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest; and (c) with respect to any proposed taxable Additional Bonds, at the option of the Authority, (i) the rate that is equal to the five year treasury note plus one percent (1%) within 30 days of the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such additional Bonds or a municipal financial advisor or firm thereof certifies as of the date of issuance thereof would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest.

“Bond Registrar” means the person or commercial bank or banks appointed by the Authority to maintain the registration books of the Authority for any series of Bonds secured by the Resolution.

“Bonds” means any revenue bonds issued by the Authority pursuant to the Resolution, including the Series 2025 Bonds and any Additional Bonds.

“Book-Entry Form” or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds and bond service charges may be transferred only through book-entry and (b) physical Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Bonds in the custody of a Securities Depository.

“Certifying Official” means, at the election of the Authority, (a) the Chairman, the General Manager or his or her designee, (b) the Consulting Engineer, (c) a certified public accountant or firm thereof or (d) a municipal finance advisor or firm thereof.

“Code” means the Internal Revenue Code of 1986, as amended and any regulations promulgated thereunder.

“Construction Fund” means the Spalding County Water and Sewerage Facilities Authority Construction Fund created in Article IV, Section 2 of the Resolution.

“Construction Fund Custodian” means the commercial bank appointed by the Authority to maintain the Construction Fund.

“Consulting Engineers” means an engineer or engineering firm having a national reputation for skill relating to public utility systems.

“County” means Spalding County, Georgia, and its successors and assigns.

“Credit or Liquidity Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar facility established in connection with the issuance of any Additional Bonds.

“Debt Service Account” means the Debt Service Account created within the Sinking Fund.

“Debt Service Coverage Ratio” means the ratio determined by dividing the Income Available for Debt Service by the Debt Service Requirement.

“Debt Service Requirement” means, with respect to any measurement period, the principal and interest payable on the Bonds in such measurement period; provided however, (a) interest shall be excluded from the determination of the Debt Service Requirement to the extent (i) the same is provided from (A) the original proceeds of Bonds, (B) earnings on the Funds to the extent the same will be applied to pay debt service on the Bonds or (C) a counterparty with a rating that is the same or higher than the Authority’s or (ii) the Authority is entitled to receive a payment from the United States of America or any agency or department thereof, (b) with respect to Bonds that are Variable Rate Bonds, the interest payable on such Bonds shall be calculated using the Bond Index, (c) with respect to Balloon Indebtedness that is not due within three years, the principal of the Balloon Indebtedness shall be amortized from its date of issuance (i) over the time and in the amounts specified in the Credit Facility or Liquidity Facility relating to such Bonds (if any) and (ii) in all other cases, with level annual debt service payments over 30 years at an assumed rate equal to the Bond Index, (d) with respect to Balloon Indebtedness that is due within three years, the principal of the Balloon Indebtedness shall be amortized from the date of computation with level annual debt service payments over the remaining term of the debt at an assumed interest rate equal to the Bond Index, and (e) notwithstanding that the definition of Bonds excludes Credit or Liquidity Facilities to the extent they are drawn upon to purchase, but not retire, Bonds, any interest expense included on such Credit or Liquidity Facilities in excess of the interest expense on the related Bonds shall be included in the determination of the Debt Service Requirement and (f) with respect to any compound interest Bonds, the total principal and interest coming due in any specified period shall be determined by a supplemental resolution authorizing such compound interest Bonds.

“Debt Service Reserve Requirement” means, as of any date of calculation, (a) with respect to the Series 2025 Bonds, \$0; and (b) with respect to Additional Bonds, the amount, if any, set forth in the resolution authorizing the issuance of such Additional Bonds. Notwithstanding the foregoing, (a) with respect to Additional Bonds that are

Variable Rate Bonds, it shall be assumed that such Additional Bonds bear interest through maturity at that rate which the original purchaser of such Additional Bonds or a municipal financial advisor or firm thereof certifies that such Additional Bonds would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest and (b) if an issue has more than a de minimis amount of original issue discount or premium, the issue price shall be used, in lieu of the stated principal amount, to measure the 10% limitation set forth in Section 1.148-2(f) of the Code on the use of bond proceeds to finance a reserve fund.

“Debt Service Reserve Surety Bond” means a surety bond, insurance policy or irrevocable letter of credit credited to the Reserve Account in lieu of or in partial substitution for moneys and securities on deposit therein.

“Disclosure Agreements” means the Series 2025 Disclosure Certificate and any disclosure agreement or certificate executed in connection with the issuance of any Additional Bonds.

“Engineering Report” means any engineering report related to projects to be acquired, constructed, installed or equipped with the proceeds of any Additional Bonds.

“Escrow Agent” means, for the Series 2025 Bonds, U.S. Bank Trust Company, National Association and for any Additional Bonds, any escrow agent appointed by the Authority.

“Escrow Deposit Agreement” means for the Series 2025 Bonds, the Escrow Deposit Agreement, dated the date of issuance of the Series 2025 Bonds, among the Authority, the Series 2015 Trustee and the Escrow Agent, relating to the defeasance of the Series 2015 Bonds, and for any Additional Bonds, one or more escrow deposit agreements.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Authority as the fiscal year for financial reporting purposes related to the System and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the same calendar year.

“Funds” means the Revenue Fund, the Sinking Fund, the Renewal and Extension Fund and the Construction Fund.

“Government Obligations” means direct general obligations of the United States of America or obligations which are unconditionally guaranteed by the United States of America, in either case which are not callable except at the option of the holder thereof.

“Income Available for Debt Service” means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof shall take into account (a)(i) a gain or loss resulting from either the extinguishment of Bonds or the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (ii) unrealized gains or losses or (iii) any other components of revenues or expenses that do not contribute to or diminish cash flow available to pay debt service or (b) earnings on (i) the Construction Fund or (ii) any of the other Funds to the extent they have been taken into account to reduce the Debt Service Requirements.

“Interest Payment Date” means (a) with respect to the Series 2025 Bonds, each June 1 and December 1 and (b) with respect to any Additional Bonds, the interest payment date specified in the supplemental resolution authorizing such Additional Bonds.

“MADS Debt Service Coverage Ratio” means the ratio determined by dividing Income Available for Debt Service by Maximum Annual Debt Service.

“Maximum Annual Debt Service” means, for any period of time, the highest Debt Service Requirement.

“Net Revenues” means the gross revenues derived from the ownership or operation of the System, including, without limitation, all tap fees, connection fees and capital recovery fees, whether or not accounted for as revenue or contributed capital, all earnings on amounts on deposit in the Funds, less the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment

of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. Net Revenues shall not include amounts drawn or otherwise available under a Credit or Liquidity Facility.

“Other System Obligations” means obligations of any kind, including but not limited to, revenue bonds, capital leases, installment purchase agreements, or notes (but excluding Bonds and related obligations to Reserve Account Credit Facility Providers), incurred or issued by the Authority to finance or refinance the cost of acquiring, constructing, reconstructing, improving, bettering, or extending any part of the System.

“Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing exists at the time of such reference.

“Paying Agent” means the person or commercial bank or banks appointed by the Authority to serve as paying agent for any series of Bonds secured by the Resolution.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(b) bonds or obligations of the Authority, or bonds or obligations of the State of Georgia or other states, or of other counties, municipal corporations and political subdivisions of the State of Georgia;

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of any bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office located within

the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies and instrumentalities of the United States government referred to in paragraph (d) above, or bonds, obligations or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) and (d) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia;

(h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(i) any other investments authorized by the laws of the State of Georgia from time to time.

“Projects” means the Series 2025 Project and any projects financed with proceeds of any Additional Bonds.

“Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

“Rating Agencies” or **“Rating Agency”** means Fitch, Moody’s, and S&P or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the Authority. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

“Record Date” means (a) with respect to the Series 2025 Bonds, the fifteenth day of the calendar month preceding each Interest Payment Date and (b) with respect to any Additional Bonds, the record date specified in the supplemental resolution authorizing such Additional Bonds.

“Renewal and Extension Fund” means the Spalding County Water and Sewerage Facilities Authority Renewal and Extension Fund created in Article V, Section 1 of the Resolution.

“Renewal and Extension Fund Depository” means the commercial bank or similar entity appointed by the Authority to maintain the Renewal and Extension Fund.

“Reserve Account” means the Reserve Account created within the Sinking Fund.

“Reserve Account Credit Facility” means the letter of credit, insurance policy, line of credit, or surety bond, together with any substitute or replacement therefor, if any, complying with the provisions of the Resolution, thereby fulfilling all or a portion of the Debt Service Reserve Requirement.

“Reserve Account Credit Facility Provider” means any provider of a Reserve Account Credit Facility.

“Resolution” means the Resolution, as supplemented from time to time.

“Revenue Bond Law” means the Revenue Bond Law, (O.C.G.A. Section 36-82-60 *et seq.*), as amended from time to time.

“Revenue Fund” means the Spalding County Water and Sewerage Facilities Authority Revenue Fund created in Article V, Section 1 of the Resolution.

“Revenue Fund Depository” means the commercial bank or similar entity appointed by the Authority to maintain the Revenue Fund.

“Securities Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede and Co., New York, New York, as nominee of The Depository Trust Company.

“Series 2015 Bonds” means the Authority’s Water and Sewerage Revenue Bonds, Series 2015.

“Series 2015 Indenture” shall mean that certain Trust Indenture, dated as of December 1, 2008, by and between the Authority and the Series 2015 Trustee, as amended and supplemented, relating to, among other obligations, the Series 2015 Bonds.

“Series 2015 Trustee” means U.S. Bank Trust Company, National Association.

“Series 2025 Bonds” means the Authority’s Water and Sewerage Revenue Bonds, Series 2025, authorized to be issued pursuant to Article II of the Resolution.

“Series 2025 Disclosure Certificate” means the continuing disclosure certificate executed in connection with the issuance of the Series 2025 Bonds.

“Series 2025 Project” means the improvements to the System to be financed with the proceeds of the Series 2025 Bonds.

“Sinking Fund” means the Spalding County Water and Sewerage Facilities Authority Sinking Fund created in Article V, Section 1 of the Resolution in which are held the Debt Service Account and the Reserve Account.

“Sinking Fund Custodian” means the commercial bank appointed by the Authority to maintain the Sinking Fund.

“Sinking Fund Investments” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by (i) the Federal Deposit Insurance Corporation, or any successor thereto or (ii) letters of credit issued by the Federal Home Loan Bank and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“Sinking Fund Year” means the period commencing on the 2nd day of June in each year and extending through the 1st day of June in the next year.

“State” means the State of Georgia.

“Subordinate Debt” means any debt which is expressly made subordinate and junior in right of payment of principal of, redemption premium, if any, and interest on all Bonds issued pursuant to the Resolution and all obligations related to a Debt Service Surety Bond or Credit or Liquidity Facility (collectively, “Senior Debt”). The terms of all Subordinate Debt shall require that (a) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt shall be made unless full payment of all amounts then due and payable on Senior Debt have been made or duly provided for, (b) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt shall be made if, at the time of such payment or application, or immediately after giving effect thereto, (i) there shall exist a default in the payment of any Senior Debt (whether at maturity or upon mandatory redemption) or (ii) there shall have occurred an event of default with respect to any Senior Debt, and such event of default shall not have been cured or waived or shall not have ceased to exist, and (c) in the event that any Subordinate Debt is declared or otherwise becomes due and payable because of the occurrence of an event of default with respect thereto, (i) the holders of the Senior Debt shall be entitled to receive payment in full thereon before the holders of the Subordinate Debt shall be entitled to receive any payment on account of such Subordinate Debt as a result of such event of default and (ii) no holder of Subordinate Debt, or a trustee acting on such holder’s behalf, shall be entitled to exercise any control over proceedings to enforce the terms and conditions of the Resolution.

“System” means the Authority’s water and sewer system, as now existent and as hereafter added to, extended, improved and equipped and any and all other utility systems hereafter combined with the water and sewer system pursuant to Article VII, Section 10.

“Variable Rate” means as to any Bonds, any portion of such Bonds the interest rate on which is not established at the time of original execution or issuance at a fixed or constant rate.

Abrogation of Lien

The Authority abrogated its right to issue revenue bonds or obligations of any kind under the Series 2015 Indenture.

Funds Created by the Resolution and Flow of Funds

Creation of Funds. Under the terms of the Resolution, the Authority has established the following funds and accounts, and the moneys deposited in such funds and accounts shall be held in trust for the purposes set forth in the Resolution:

- (a) Construction Fund;
- (b) Revenue Fund;
- (c) Sinking Fund; and
- (d) Renewal and Extension Fund.

The Construction Fund shall be maintained by the Construction Fund Custodian, the Revenue Fund shall be maintained by the Revenue Fund Depository, the Sinking Fund shall be maintained by the Sinking Fund Custodian, and the Renewal and Extension Fund shall be maintained by the Renewal and Extension Fund Depository.

Construction Fund. The Construction Fund Custodian created on its books and records a special account for the Construction Fund designated as the "Series 2025 Capital Improvement Account." As to any issue of Additional Bonds providing Construction Fund moneys, the Construction Fund Custodian shall establish a separate special account within the Construction Fund, each of which shall be designated as the "Series _____ Capital Improvement Account." Each account created in the Construction Fund is referred to as a "Capital Improvement Account." Except as described below, the moneys credited to a Capital Improvement Account shall be used and applied for the purpose of paying the cost of the Projects in accordance with the Engineering Report (if any), paying capitalized interest (if any) and paying the costs of issuing such Bonds that funded such Capital Improvement Account.

Upon completion of the Projects and after payment of all expenses with respect thereto, all moneys credited to the related Capital Improvement Account may, at the direction of the Authority, be (i) credited to any other Capital Improvement Account and used to complete the Project with respect to which such Capital Improvement Account was created or (ii) credited to the Sinking Fund and used to pay debt service on the Bonds. Prior to such application, the Authority shall receive an opinion of nationally recognized bond counsel to the effect that such application will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any tax-exempt Bond.

All payments from the Construction Fund shall be made by wire transfer or checks signed by the Construction Fund Custodian or an Authorized Authority Representative. Before any such transfers are made or any checks are signed, there shall be filed with the Construction Fund Custodian the requisition and certificate required by the Resolution.

The Authority will do all things, and take all reasonable and prudent measures, necessary to continue construction with due diligence and to expend the moneys credited to each Capital Improvement Account in the Construction Fund as expeditiously as possible in order to assure the completion of the Projects for which such accounts were created, on the earliest practicable date, and will indemnify itself against the usual hazards incident to the construction of such Projects.

All requisitions and certificates required by the Resolution shall be retained either by the Construction Fund Custodian or by the Authority, subject at all times to inspection by any bondowner.

Any moneys held in the Construction Fund shall be invested or reinvested at the direction of the Authority in Permitted Investments.

Revenue Fund. All revenues arising from the ownership or operation of the System and properties in connection therewith shall be collected by the Authority and its agents or employees and deposited promptly with the Revenue Fund Depository to the credit of the Revenue Fund. The Authority shall continue to maintain the Revenue Fund as a special trust fund separate and apart from its other funds so long as any Bonds are outstanding and unpaid or until provision shall have been duly made for the payment thereof.

There shall first be paid from said Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization.

The Net Revenues remaining in the Revenue Fund after the payment of the sums required or permitted to be paid under the provisions of the preceding paragraph are hereby pledged to the payment of the principal of and the interest on the Bonds and amounts owing to a provider of any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth herein. Said Net Revenues so pledged shall immediately be

subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against it, and against all parties having claims of any kind against it, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice thereof.

Sinking Fund. The Sinking Fund consists of a Debt Service Account and a Reserve Account. The Sinking Fund shall be kept as a trust fund with the Sinking Fund Custodian separate from other deposits of the Authority.

A debt service reserve subaccount will not be established for the Series 2025 Bonds. As to any issue of Additional Bonds for which the Authority has determined that it is necessary or desirable to establish a debt service reserve for such Additional Bonds, the Sinking Fund Custodian shall establish a separate special subaccount within the Reserve Account, each of which shall be designated as the "Series ____ Reserve Subaccount." Each subaccount created in connection with the issuance of Additional Bonds is referred to as a "Reserve Subaccount." Each Reserve Subaccount shall only secure the Bonds for which it was established. Each Reserve Subaccount shall be funded and replenished pro rata.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of paragraph (a) above, there shall be paid into the Debt Service Account for the purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys deposited in the Debt Service Account to be used to pay debt service, (i) on or before the 20th day of each month, and from month to month thereafter, equal monthly installments sufficient to pay the interest on the Bonds coming due on the next Interest Payment Date, as the case may be and (ii) on or before the 20th day of each month, and from month to month thereafter, equal monthly installments sufficient to pay the principal coming due on the Bonds coming due on the next June 1, such aggregate monthly payments to continue from month to month until sufficient funds are on hand in the Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

If the Authority shall determine that it is necessary or desirable to establish a Reserve Subaccount in connection with the issuance of Additional Bonds and such Reserve Subaccount is not funded with the proceeds of such Additional Bonds, there shall be deposited in the Reserve Subaccount as necessary substantially equal monthly payments sufficient to create within the Reserve Subaccount within 60 months from the date of issuance of any Additional Bonds a reserve equal to the Debt Service Reserve Requirement. If moneys are withdrawn from a Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits shall also include substantially equal monthly payments sufficient to (i) restore the amount withdrawn from the Reserve Subaccount, (ii) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (iii) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits shall also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms. In the event of a drawdown on any Debt Service Reserve Surety Bond or any Credit or Liquidity Facility, such payments shall be made first, on a pro rata basis, to the issuers of the Debt Service Reserve Surety Bonds, then, on a pro rata basis, to the issuers of such Credit or Liquidity Facilities and then, to replenish any cash. Each Reserve Subaccount shall be funded and replenished pro rata.

The Debt Service Account shall be maintained for the purpose of paying (i) the interest on the Bonds as such interest becomes due and payable, (ii) the principal of the Bonds as same becomes due and payable, either at maturity or by proceedings for redemption or acceleration; (iii) the optional redemption price of Bonds before maturity at the price and under the conditions provided therefor in Article III hereof, (iv) the purchase price of Bonds in the open market, (v) the charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured hereby and their transfer or exchange in accordance with the terms thereof, and (vi) any charges for investment services.

Each Reserve Subaccount shall be maintained for the purpose of paying the principal of and interest on the Bonds secured thereby falling due in any year as to which there are insufficient moneys in the Debt Service Account and as to which there would otherwise be a default or for the purpose of reimbursing an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility for a drawing thereon. Prior to drawing on any Debt Service

Reserve Surety Bond, all other amounts on deposit in the Reserve Subaccount, if any, shall have been expended. The Paying Agent shall deliver the demand for payment (if any) required by the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility at the time and in the manner required. In determining the amount on deposit in a Reserve Subaccount, there shall be taken into account the amount available under any Debt Service Reserve Surety Bond. In the event there is more than one Debt Service Reserve Surety Bond credited to a Reserve Subaccount and there is a drawdown, such Debt Service Reserve Surety Bonds shall be drawn upon on a pro rata basis.

It is expressly provided that if on the 2nd day of June in any year there are on deposit in a Reserve Subaccount moneys or securities (such securities to be valued at their market value plus accrued interest thereon to June 2) the aggregate amount of which, together with the amounts available under the Debt Service Reserve Surety Bond, are in excess of the Debt Service Reserve Requirement, such excess moneys and securities shall be withdrawn therefrom by the Sinking Fund Custodian and immediately deposited into the Revenue Fund provided that no default has occurred and is continuing hereunder. Such moneys shall be used by the Authority in accordance with the Resolution for any purpose that does not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding tax-exempt Bond.

A Reserve Subaccount may be funded by depositing a Debt Service Reserve Surety Bond (i) from a provider that has a rating at the time of issuance of such Debt Service Reserve Surety Bond equal to or higher than the rating on the Bonds secured thereby, (ii) that has a term not less than the final maturity date of the Bonds secured thereby (or may be drawn upon in full upon its expiration date if a substitute letter of credit or surety bond is not in place prior to its expiration date) and (iii) that is payable on any Interest Payment Date in an amount equal to any portion of the balance then required to be maintained within the Reserve Subaccount. Before any such Debt Service Reserve Surety Bond is substituted for cash or deposited in lieu of cash in the Reserve Subaccount, there shall be filed with the Sinking Fund Custodian (A) an opinion of nationally recognized bond counsel to the effect that such substitution or deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond, (B) a certificate evidencing that at least 30 days prior notice of the proposed substitution or deposit of such Debt Service Reserve Surety Bond was given to all rating agencies then rating any Bonds, including a description of such Debt Service Reserve Surety Bond and the proposed date of substitution or deposit, and (C) the Debt Service Reserve Surety Bond issued to fulfill the obligation to fund the Reserve Subaccount, together with an opinion of counsel to the issuer of the Debt Service Reserve Surety Bond to the effect that the Debt Service Reserve Surety Bond is valid and enforceable in accordance with its terms. Notwithstanding anything to the contrary contained in the Resolution, the Resolution may be amended without notice to or the consent of the owners of the Bonds to provide for any additional provisions required by the issuer(s) of such Debt Service Reserve Surety Bond; provided, however, that there shall be first delivered an opinion of nationally recognized bond counsel to the effect that such additional provisions are not materially adverse to the rights or security of the owners of the Bonds. Nothing in the Resolution shall be construed as requiring the Authority to create or fund a Reserve Subaccount in connection with the issuance of Additional Bonds.

If, in any month, the amounts required to be paid in order to comply with the provisions above shall not be paid in full, any deficiency will be added to and shall be a part of the amount required to be paid in the next succeeding month.

Policy Costs. After there have been paid from the Revenue Fund the sums described above, and so long as the applicable bond insurance policy is in effect, the issuer of such bond insurance policy is honoring its obligations thereunder and an insurer default has not occurred and is not continuing, there will be paid from the Revenue Fund such payments to the bond insurers as may be required to repay any amounts owed to the bond insurers that have not been paid to the bond insurers as a subrogee to the owners of the insured Bonds.

Subordinate Debt. After there have been paid from the Revenue Fund the sums required or permitted to be as described above, there shall next be paid from the Revenue Fund such payments as may be required to repay Subordinate Debt.

Renewal and Extension Fund. After there have been paid from the Revenue Fund the sums required or permitted to be paid as described above and after building up a working capital reserve in such amount as deemed

appropriate by the Authority in the Revenue Fund, there shall next be paid from the Revenue Fund into the Renewal and Extension Fund all the moneys remaining in the Revenue Fund.

Expenditures shall be made from the Renewal and Extension Fund for the purpose of:

- (i) Paying operating expenses relating to the System;
- (ii) Making debt service payments on the Bonds;
- (iii) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;
- (iv) Making replacements, additions, extensions and improvements to the System and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System;
- (v) Transfers to the Sinking Fund or an escrow agent for the purpose of redeeming Bonds, defeasing Bonds or acquiring the Bonds by purchase in the open market; or
- (vi) Paying any issuer of any Debt Service Reserve Surety Bond interest on amounts drawn under such surety bond and payment to the issuer of any Credit or Liquidity Facility the costs for any such facility.

Rate Covenant

The Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it shall appear necessary the Authority shall revise and adjust such schedule of rates, fees and charges for the services, facilities and commodities of the System to the extent necessary to produce funds sufficient to:

- (a) operate, maintain and repair the System on a sound businesslike basis;
- (b) maintain the Debt Service Account in the amount required to discharge the payments of the principal of and the interest on the Bonds as the same become due and payable;
- (c) maintain the Debt Service Reserve Requirement in the Reserve Account;
- (d) pay amounts owing to an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility; and
- (e) pay all other amounts owing under the Resolution.

Without limiting the foregoing, the Authority shall set the schedule of rates, fees and charges for the services and facilities of the System so as to produce a (i) Debt Service Coverage Ratio of least 1.20x in the current Fiscal Year and (ii) MADS Debt Service Coverage Ratio of at least 1.10x in the current Fiscal Year.

The rates, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as near as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No customer shall be connected to the System or served by the Authority without a proper meter having been first installed. Subject to existing agreements and subject to State law, the Authority will undertake within its health powers or such other applicable powers now or hereafter provided by law, to require the owners of all improved property abutting any water line or sewerage line to connect with the System provided that there is sufficient capacity in the System to provide adequate service. All services shall be furnished in accordance with rates, fees and charges now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the foregoing, the

Authority, in the exercise of its reasonable discretion, shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

In the event the Authority shall fail to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges, in accordance with the provisions of the Resolution, any bondholder without regard to whether any "event of default," as defined in Article VIII of the Resolution, shall have occurred, may institute and prosecute in any court of competent jurisdiction in the State, an appropriate action to compel the Authority to adopt a schedule or schedules of rates, fees and charges or to revise its schedule or schedules of rates, fees and charges in accordance with the requirements of the Resolution.

Additional Bonds

No other obligations of any kind or nature shall hereafter be issued which are payable from or enjoy a lien on the Net Revenues prior to the lien thereon securing the payment of the Bonds. It is expressly provided, however, that Additional Bonds may be issued by the Authority from time to time for any lawful purpose, and if such Additional Bonds are issued, such Additional Bonds shall rank as to lien on the Net Revenues on a parity with the lien thereon securing the payment of the Series 2025 Bonds, provided all of the following conditions are met:

(a) None of the Series 2025 Bonds or any Additional Bonds then outstanding are in default as to principal and interest and the Authority is in material compliance with the Resolution.

(b) The payments covenanted to be made into the Debt Service Account and the Reserve Account must be currently being made in the full amount as required and such accounts must be at their proper respective balances.

(c) The Authority shall satisfy one of the following:

(i) The Certifying Official shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited Fiscal Year, the Debt Service Coverage Ratio for each of the five full Fiscal Years next following the earlier of (A) the end of the period during which interest on the Additional Bonds is to be capitalized, or if no interest on the Additional Bonds is to be capitalized, the Fiscal Year in which the Additional Bonds are issued or (B) the date on which substantially all the Projects financed with such Additional Bonds are expected to be placed into service, shall not be less than 1.25x. If a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Certifying Official may take such additional revenues into account in the foregoing certification.

(ii) The Certifying Official shall have certified that the projected Debt Service Coverage Ratio for each of the five full Fiscal Years next following the earlier of (A) the end of the period during which interest on the Additional Bonds is to be capitalized, or if no interest on the Additional Bonds is to be capitalized, the Fiscal Year in which the Additional Bonds are issued or (B) the date on which substantially all the Projects financed with such Additional Bonds are expected to be placed into service, shall not be less than 1.30x.

(iii) (A) the Additional Bonds are being issued to refund other Bonds, (B) the final maturity of the Additional Bonds is not extended past the maturity of the Bonds being refunded and (C) the average annual debt service of the Additional Bonds does not exceed the average annual debt service on the Bonds being refunded.

(d) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to the Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such

Additional Bonds; but nothing contained herein shall require the Sinking Fund to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of the Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Resolution.

(e) Any proposed Variable Rate Additional Bonds shall specify a maximum interest rate. If any such Variable Rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit or Liquidity Facility may be provided at or prior to the issuance of such Variable Rate Additional Bonds to support the Authority's obligations for any such mandatory redemption or purchase. The failure of any such Credit or Liquidity Facility to purchase any such Variable Rate Additional Bonds shall not be a default under the Resolution, and shall not cause an acceleration of such Variable Rate Additional Bonds or Bonds issued pursuant to the Resolution.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(g) The Authority shall determine if it is necessary or desirable to establish a Reserve Subaccount for such Additional Bonds.

Defeasance

When the Sinking Fund Custodian, the Paying Agent or an escrow agent has sufficient moneys or Government Obligations, which, without any reinvestment thereof, will (based upon a verification report of an independent certified public accountant or firm thereof) provide for the payment of Bonds of any series and the interest due or to become due thereon, and any premium required to be paid should such Bonds be called for redemption, the Bonds shall be deemed to be paid. Upon such deposit of moneys or Government Obligations, the owners of such Bonds shall no longer be entitled to the benefits of the security afforded by the Resolution and such Bonds shall, except for the purposes of registration, exchange and transfer, no longer be deemed outstanding under the Resolution. The Resolution shall not terminate until all amounts owed to the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility have been paid.

Lien on Funds

The moneys and securities held in the Funds are pledged to the payment of the principal of and the interest on the Bonds and amounts owing to a provider of any Debt Service Reserve Surety Bond, Credit or Liquidity Facility or bond insurance policy as set forth in the Resolution; provided, however, that amounts in each Reserve Subaccount are only pledged to secure the series of Bonds for which it was established.

Revenue Fund, Sinking Fund and Renewal and Extension Fund Investments

Moneys in the Revenue Fund and the Renewal and Extension Fund shall be invested in any investment authorized by the laws of the State.

Moneys on deposit in the Sinking Fund shall be invested in Sinking Fund Investments; provided, however, moneys on deposit in the Reserve Account derived from Bond proceeds shall be invested only in Sinking Fund Investments that are also Permitted Investments. All investments in the Sinking Fund shall mature or be redeemable at the option of the holder within five years.

Security for Deposits

All moneys on deposit in the Funds shall be secured by (a) the State of Georgia Secure Deposits Program, or any successor thereto or (b)(i) the Federal Deposit Insurance Corporation, or any successor thereto or (ii) a pledge of obligations (A) authorized by O.C.G.A Section 50-17-59 or (B) issued or guaranteed by the United States of America in an amount of such deposit not insured by the Federal Deposit Insurance Corporation, or any successor thereto.

Particular Covenants

Rules and Regulations. The Authority has agreed to enforce reasonable rules and regulations governing the System and the operation thereof. The Authority also agreed that all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable, that no more persons will be employed by it than are necessary, that it will operate same in an efficient and economical manner, that it will at all times maintain the System in good repair and in sound operating condition, that it will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertaking and enterprise.

Liens; Easements. Except for the Series 2015 Indenture which will be discharged after the defeasance of the Series 2015 Bonds on the date of issuance of the Series 2025 Bonds, the Authority has not created any other lien on the Net Revenues. The Authority shall not create nor suffer to be created any lien, security interest or charge upon the Net Revenues, ranking equally with or prior to the lien and charge herein created upon the Net Revenues. The Authority shall not create nor suffer to be created any lien, security interest or charge upon the System. The Authority shall pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge within 60 days after the same shall accrue, all lawful claims and demands which, if unpaid, might by law become a lien upon the System; provided, however, that nothing contained in the Resolution shall require the Authority to pay, or cause to be discharged, or make provisions for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

If no event of default hereunder shall have happened and be continuing and provided there shall be no material adverse effect on the Net Revenues, the Authority may at any time or times cause to be granted, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the System and such grant will be free from the lien or security interest of the Resolution or the Authority may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the System with or without consideration.

Sale of Assets. The Authority has agreed not to sell or otherwise dispose of the System or any integral part thereof, except that it may sell the System as a whole, or substantially as a whole if the proceeds of such sale are at least sufficient to provide for the payment of all Bonds secured by the Resolution, and any interest accrued or to accrue thereon, and that the proceeds of any such sale are deposited in trust and applied by the Authority to the extent necessary to purchase or redeem the Bonds. Nothing contained in the Resolution, however, shall preclude (a) sales in the ordinary course of business or (b) a sale of a part of the System where the sale would not, in any way, materially adversely affect the Net Revenues as certified by the Consulting Engineers. Prior to such a sale, the Authority shall receive an opinion of nationally recognized bond counsel to the effect that such application will not adversely affect the exclusion from gross income for federal income tax purposes on any tax-exempt Bond.

Insurance. The Authority has agreed to cause to be bonded its employees or agents handling funds of the System in amounts considered necessary and adequate for its protection and has also agreed to procure and maintain insurance on the System of the kinds and in the amounts normally carried by private companies or other governmental entities or agencies engaged in the operation of similar properties. Such insurance may provide reasonable and customary deductibles. Such insurance shall be purchased from a responsible insurance company or companies authorized and qualified to do business in the State. If the Authority is unable to obtain such insurance legally or on reasonable and customary terms, the Authority will maintain self-insurance to the extent required above. The proceeds of such fire and property damage policies are hereby pledged as security for the Bonds, but

shall be available for and shall, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property and may be pledged on a parity basis as security for any revenue bonds issued by the Authority. In the event the proceeds of such policies are not used for that purpose, then same shall be deposited in the Renewal and Extension Fund; provided, however, that all such repairs or replacements shall be made in all instances whereby failure to do so would materially adversely affect the revenues of the System. Proceeds from the fidelity bonds on employees and agents shall be paid into the appropriate fund. All insurance policies and fidelity bonds shall be open to the inspection of the bondholders or their duly authorized representatives at all reasonable times.

Funds and Accounts. The Authority has agreed to keep the Funds and accounts of the System separate from all other funds and accounts of the Authority, or any of its departments, and no payment will be made from the revenues derived from the System which is not properly payable from such revenues. The Authority has agreed to keep accurate records and accounts of all items of cost and all expenditures relating to the System, and of the revenues collected and the application thereof, and to keep said records and accounts with respect to the physical properties in such manner that it will be possible at all times to identify both the amounts and the items of all additions and retirements. Such records and accounts shall be open to the inspection of all interested persons.

Financial Statements. The Authority has agreed to include in its financial statements a statement of the income and expenditures of the System for such Fiscal Year and a balance sheet of the System as of the end of such Fiscal Year. The Authority has agreed to prepare its financial statements in accordance with generally accepted accounting principles to the extent possible and has also agreed to cause an annual audit to be made of its financial statements by an independent certified public accountant or firm thereof selected by the Authority.

Tax Covenants. The Authority has agreed to do all things necessary to maintain the tax-exempt status of any tax-exempt Bonds and not to do anything that would adversely affect such tax-exempt status.

Continuing Disclosure. The Authority has agreed to comply with its obligations under any Disclosure Agreement executed in connection with Rule 15c2-12 of the Securities and Exchange Commission. However, a breach of this covenant shall not be deemed to be an event of default under the Resolution, and the sole remedy under the Resolution shall be an action to compel performance.

Compulsory Sewer Connections. In consideration of the purchase of the Bonds and in order better to secure the prompt payment of principal and interest thereon, as well as for the purpose of protecting the health and welfare of the inhabitants of the area served by the Authority, and acting under authority of the general laws of the State, the Authority has agreed, to the extent permitted by law, and to the extent not prevented by physical impediments, to require every owner of each lot and parcel of land in the jurisdiction that is served by the Authority and that abuts upon any street or public way containing a sewage line forming a part of the System and upon which lot a building shall subsequently be constructed for residential, commercial, or industrial use, to connect such building to such sewage line and to refrain from using any other method for the disposal of sewage.

Enforcement of Charges and Connections. The Authority has agreed to compel the prompt payment of rates, fees, and charges imposed for service rendered on every lot or parcel connected with the System, and to that end will vigorously enforce all of the provisions of any resolution or ordinance of the Authority having to do with water and sewer connections and with water and sewer charges, and all of the rights and remedies permitted the Authority under law. The Authority expressly covenanted and agreed that such charges will be enforced and promptly collected to the full extent permitted by law, including the requirement for the making of reasonable deposits by customers of the System to the extent required by the Authority and the securing of injunctions against, or cease and desist orders requiring the payment of fines for, the disposal of sewage or industrial waste into the System by any premises delinquent in the payment of such charges.

Disconnection of Water for Non-Payment. The Authority has agreed to diligently enforce payment of all bills for services supplied by the System. If a bill becomes delinquent and remains so for a period to be determined in accordance with Authority policy from time to time, the Authority will, to the extent permitted by law, discontinue water service in accordance with State law to any premises the owner or occupant of which shall be so delinquent and will not recommence such service to such premises until all delinquent charges with penalties shall have been paid in full or provisions for such payment satisfactory to the Authority shall have been made. The

Authority will do all things and exercise all remedies reasonably available to assure the prompt payment of charges for all services supplied by the System.

Combining other Utilities with System. The Authority has reserved the right to combine other utilities with the System provided that the Authority can satisfy the test for the issuance of Additional Bonds described under “Additional Bonds.”

Other Obligations. The Authority expressly reserved the right, at any time, to adopt one or more other bond resolutions and reserves the right, at any time, to issue any other obligations not secured by the Net Revenues and any other amounts pledged under the Resolution.

Events of Default

Under the terms of the Resolution, each of the following events is an “event of default”, that is to say, if: (a) payment of the principal of and any redemption premium on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption, or (b) payment of any installment of interest shall not be made when the same becomes due and payable, or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations under the Resolution, or (d) the Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Resolution, on the part of the Authority to be performed, and such default shall continue for 30 days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Authority by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default thereunder if the Authority shall institute corrective action and diligently pursue it until the default is cured.

Acceleration; Remedies

Upon the happening and continuance of any event of default, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by a notice in writing to the Authority, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything to the contrary in the Bonds or contained in the Resolution notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured by the Resolution, except the principal of and interest on any Bonds not then due by their terms, and the interest accrued on such Bonds since the last interest payment date, shall have been paid, or shall have been provided for by deposit with the Paying Agent for such Bonds of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the Bonds, or contained in the Resolution, shall be made good, or provisions therefor satisfactory to such bondholders shall have been made, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to, or affect, any subsequent default or impair any right consequent thereto.

Upon the happening and continuance of any event of default, then and in every such case any bondholder may proceed, subject to provisions of the Resolution regarding equal benefit described below, to protect and enforce the rights of the bondholders under the Resolution by a suit, action or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained in the Resolution or in aid or execution of any power therein granted, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

In case any proceeding taken by any bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such bondholder, then and in every such case the Authority and the bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the bondholders shall continue as though no such proceedings had been taken.

No one, or more, owners of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for in the Resolution, or to enforce any right under the Resolution, except in the manner provided in the Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

No remedy conferred in the Resolution upon the bondholders is intended to be exclusive of any other remedy, or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity, or by statute.

No delay or omission of any bondholder to exercise any right or power accruing upon any default occurring and continuing, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by the Resolution to be owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

No failure to reimburse a provision of a Debt Service Reserve Surety Bond for any draw thereunder shall permit the issuer of such Debt Service Reserve Surety Bond to (a) accelerate any Bonds issued pursuant to the Resolution or (b) pursue any remedy which would adversely affect the owners of the Bonds.

Supplemental Proceedings

The Authority may, from time to time and at any time, with the consent of the bondholders of a majority in aggregate principal amount of Bonds outstanding, adopt such resolution or resolutions supplemental to the Resolution as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing contained in the Resolution shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued under the Resolution; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; or (d) the creation of any lien on the Net Revenues of the System prior to or superior to the lien created as the security for the payment of the Bonds without the consent of all the Bonds outstanding. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing in the Resolution, however, shall be construed as making necessary the approval by the bondholders of any supplemental resolution (a) to cure any ambiguity or formal defect or omission in the Resolution or in any supplemental proceedings, (b) to provide for the issuance of Additional Bonds in accordance with the terms of the Resolution (including, without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the Authority, (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof, (e) to provide for the deposit into the Reserve Account of a Debt Service Reserve Surety Bond as more fully provided in the Resolution, (f) to modify, amend or supplement the Resolution or any proceedings supplemental thereto in such manner as to permit the qualification of the Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, (g) to make any modification or amendment of the Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds or interests therein in book-entry form, (h) to modify any of the provisions of the Resolution in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental resolution shall cease to be outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in such subsequent proceedings, or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

After any supplemental resolution requiring the consent of the bondholders shall have been adopted, the Authority shall cause a notice of the adoption of such supplemental resolution to be mailed, postage prepaid, to all registered owners of Bonds appearing on the bond registration book kept by the Bond Registrar.

No supplemental resolution requiring the consent of the bondholders shall become effective unless the requisite number of owners shall have filed with the Authority within three months after the date of adoption of such supplemental resolution properly executed instruments approving the adoption of such supplemental resolution, each such instrument to be accompanied by proof of ownership of the Bonds to which such instrument refers, which proof shall be such as is permitted by the provisions of the Resolution.

Any action or proceeding in any court objecting to such supplemental resolution or to any of the terms and provisions therein contained or the operation thereof, or in any manner questioning the propriety of the adoption thereof or the execution by any bondholder of any instrument purporting to approve the adoption of such supplemental resolution, or to enjoin or restrain the Authority from taking any action pursuant to the provisions thereof, must be commenced within 30 days after the Authority shall have determined that the adoption of such supplemental resolution has been duly approved.

Upon the expiration of such 30-day period, or, if any such action or proceedings shall be commenced, upon any judgment or decree sustaining such supplemental resolution becoming final, the Resolution and any supplemental resolutions shall be, and be deemed to be, modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under the Resolution and any supplemental resolution and all owners of outstanding Bonds shall thereafter be determined, exercised and enforced under the Resolution, subject, in all respects, to such modifications and amendments.

Any supplemental resolution adopted and becoming effective in accordance with the provisions of the Resolution described above shall thereafter form a part of the Resolution and all conditions of the Resolution for any and all purposes, and shall be effective as to all owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Any request, waiver, direction, consent or other instrument required by the Resolution to be signed or executed by bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the written appointment of such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Resolution and shall be conclusive in favor of the Authority with regard to any action taken under such instrument:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds shall be determined and proved by reference to the bond registration book kept by the Bond Registrar for such issue of Bonds and the Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Authority.

Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Authority in pursuance of such request or consent.

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APPENDIX D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Spalding County Water and Sewerage Facilities Authority (the “Authority”) in connection with the issuance of its Water and Sewerage Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). The Authority hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Beneficial Owners (as herein defined) and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution (as herein defined), which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Authority pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owner” means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Series 2025 Bonds (including persons holding the Series 2025 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any of the Series 2025 Bonds for federal income tax purposes.

“Dissemination Agent” means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access System, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) of this definition. The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means any period of twelve consecutive months adopted by the Authority, as the case may be, as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” means the Official Statement of the Authority relating to the Series 2025 Bonds.

“Participating Underwriter” means Raymond James & Associates, Inc.

“Resolution” means the bond resolution adopted by the Authority on April 30, 2025, as supplemented by a resolution adopted on June 11, 2025.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of Georgia.

SECTION 3. Provision of Reports by the Authority.

(a) *Annual Report.*

Not later than the first day of the eighth month following the end of the Fiscal Year (currently February 1) (the "Reporting Date"), commencing with Fiscal Year 2025, the Authority shall file, or shall cause the Dissemination Agent to file, on EMMA an Annual Report containing the following:

(i) The County's basic financial statements for the preceding Fiscal Year, which shall include the information currently presented in the Supplementary Schedules of the County's audit representing the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows of the Authority, to be prepared in accordance with generally accepted accounting principles, as in effect from time to time, which shall be accompanied by an opinion letter resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards. In the event that the audited financial statements of the County containing such Supplementary Schedules are not available by the Reporting Date, the Authority or the Dissemination Agent shall instead include unaudited financial statements of the Authority in the Annual Report and shall indicate in the Annual Report the approximate date on which the audited financial statements are expected to be submitted. The audited financial statements of the County, when available, shall be filed on EMMA.

(ii) Notwithstanding the foregoing provisions of subsection (a)(i), if at any point in time the Authority elects or is required by law to prepare basic financial statements separate and apart from those of the County, the Annual Report shall include the Authority's basic financial statements for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, as in effect from time to time, and shall be accompanied by an audit report resulting from an audit conducted by an independent certified public accountant or firm of independent public accountants in conformity with generally accepted auditing standards. In the event that the audited financial statements of the Authority are not available by the Reporting Date, the Authority or the Dissemination Agent shall instead include unaudited financial statements in the Annual Report and shall indicate in the Annual Report the approximate date on which the audited financial statements are expected to be submitted. The audited financial statements of the Authority, when available, shall be filed on EMMA.

(ii) If generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to this Disclosure Certificate and if such changes are material to the Authority, a narrative explanation describing the impact of such changes on the Authority.

(iii) information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the System to the extent not included in the audited financial statements (including the notes thereto) described in the Official Statement under the headings: (a) the price per 1,000 gallons in the table under "WATER SOURCES – The Water Sales Agreement", (b) the tables set forth under "WATER SOURCES– Summary of Water Purchase and Water Rates Paid," (c) the tables set forth under "WATER CUSTOMERS" – *Water Demand and – Largest Authority Customers,*" (c) the tables under "RATES, FEES AND CHARGES – Water Service Rates, – Water Tap Fees and – Water Capital Recovery Fees," and (d) historical debt service coverage ratio.

The Annual Report shall be in the appropriate electronic format and form prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided herein. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Authority or related public entities, which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority must clearly identify each such other document so incorporated by reference.

The Authority shall determine each year, prior to the date on which the Annual Report is to be submitted, the manner of filing with EMMA. In the event that the Authority shall fail to provide to EMMA the Annual Report

required in this Section 3, the Authority shall in a timely manner send a notice to EMMA describing such failure. Such notice shall be in the form attached hereto as Exhibit A.

(b) *Change in Fiscal Year of the Authority.*

The Authority shall promptly file a notice of any change in its Fiscal Year on EMMA.

SECTION 4. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events with respect to the Series 2025 Bonds, the Authority shall file, or shall cause the Dissemination Agent to file, a notice of such occurrence on EMMA:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draw on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds.
- (vii) Modifications to rights of the Beneficial Owners, if material.
- (viii) Series 2025 Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material.
- (xi) Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.
- (xii) Ratings changes.
- (xiii) Bankruptcy, insolvency, receivership or other similar event of the Authority including any of the following: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.
- (xiv) The consummation of a merger, consolidation or acquisition involving the Authority, or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xv) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) The Listed Event shall be in the appropriate electronic format and form prescribed by the MSRB.

(c) The content of any notice of the occurrence of a Listed Event shall be determined by the Authority and shall be in substantially the form attached as Exhibit B.

SECTION 5. Termination of Reporting Obligations. The Authority's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Series 2025 Bonds. The Authority shall notify EMMA that the Authority's obligations under this Disclosure Certificate have terminated. If the Authority's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Authority.

SECTION 6. Dissemination Agent. The Authority may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Authority may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not a designated Dissemination Agent, the Authority shall be the Dissemination Agent. Should the Authority appoint such a Dissemination Agent, it shall provide the Annual Report described in Section 3 of this Disclosure Certificate to the Dissemination Agent not later than fifteen (15) days prior to the Reporting Date.

SECTION 7. Amendment; Waiver. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Authority to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of the Disclosure Certificate is waived, the notice of a Listed Event pursuant to Section 4(a)(vii) or the first Annual Report after such amendment hereof shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the applicable Annual Report. If an amendment or waiver is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the applicable Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. The Authority shall file a notice of the change of accounting principles in the same manner as for a Listed Event under Section 4 hereof on or before the effective date of any such amendment or waiver.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such action as may be necessary and appropriate, including seeking specific performance by court order, to cause the Authority to comply

with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a “default” or an “event of default” under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure to any party to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for the Authority), and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

SECTION 12. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 14. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

[Signature Page to Follow]

Date: _____, 2025.

**SPALDING COUNTY WATER AND SEWERAGE
FACILITIES AUTHORITY**

By: _____
Chairman

(Continuing Disclosure Certificate)

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Spalding County Water and Sewerage Facilities Authority
Name of Bond Issue: Spalding County Water and Sewerage Facilities Authority Water and Sewerage Revenue Bonds, Series 2025 (the "Series 2025 Bonds")
CUSIP Number: _____
Date of Issuance: June 18, 2025

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report due with respect to the Series 2025 Bonds as required by its Disclosure Certificate, dated _____, 2025. The Authority anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

**SPALDING COUNTY WATER AND SEWERAGE
FACILITIES AUTHORITY**

By: _____
Chairman

EXHIBIT B

NOTICE TO REPOSITORIES OF THE OCCURRENCE OF
[INSERT THE LISTED EVENT]

Relating to

Spalding County Water and Sewerage Facilities Authority Water and Sewerage Revenue Bonds, Series 2025 (the
“Series 2025 Bonds”)

CUSIP NUMBER _____

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 4(a)(ix) shall include the following:

The Authority hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Authority hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Series 2025 Bonds have been defeased to [maturity/the first call date, which is _____, _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Authority as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

**SPALDING COUNTY WATER AND SEWERAGE
FACILITIES AUTHORITY**

By: _____
Title:

APPENDIX E
Feasibility Report

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**SPALDING COUNTY
WATER & SEWERAGE FACILITIES
AUTHORITY**

Financial Feasibility Evaluation of
Proposed Water and Sewerage
Revenue Bonds, Series 2025



June 2, 2025

**EVALUATION BY FINANCIAL FEASIBILITY CONSULTANTS
SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY, GEORGIA
WATER AND SEWERAGE REVENUE BONDS, SERIES 2025**

We have evaluated the accompanying Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the “Forecast Statement”) for the Spalding County Water and Sewerage Facilities Authority, Georgia (“Authority”) Water and Sewerage System (the “System”) for the current fiscal year ending June 30, 2025 and five subsequent fiscal years ending June 30, 2026 through June 30, 2030 (collectively, the “Forecast Period”) with respect to the proposed Water and Sewerage Revenue Bonds, Series 2025 (“Series 2025 Revenue Bonds”). Our evaluation was conducted in accordance with guidelines for the water and sewer industry and included such procedures as we considered necessary to evaluate the assumptions of the Authority.

The primary purpose of the Series 2025 Revenue Bonds is to refund the existing series 2015 bonds, construction of a new wastewater reclamation facility with an initial capacity of 200 thousand gallons per day, fund the development of an influent pump station sized for 650 thousand gallons per day (the “Series 2025 Project”), and build gravity sewer lines sized for 650 thousand gallons per day. The new facility will be named the Cabin Creek Water Pollution Control Plant (“Cabin Creek WPCP”) and will employ an activated sludge disposal system requiring aerated basins and secondary clarifiers. Excess solids will be stabilized using aerobic digestion and land applied or landfilled as a final means of disposal. WPCP effluent will be discharged to Cabin Creek. The Authority has made application to the Georgia Environmental Protection Division (“Georgia EPD”) for the required permit). See Appendix E for a more detailed description of the Series 2025 Project.

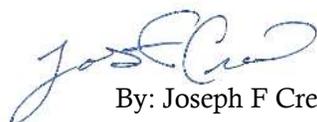
In evaluating the financial feasibility of the System and associated bond issuance, those assumptions that we believe are most significant include:

- Projected operating costs for providing water and sewer services to meet demand during the Forecast Period;
- Projected growth in customers and demand for water and sewer services, and the resulting impact on forecast revenues during the Forecast Period;
- Projected water and sewer rate adjustments during the Forecast Period; and,
- Projected future debt issues and the timing of additional debt service payments to meet capital investment needs.

In our opinion, the accompanying Forecast Statement is presented in conformity with industry guidelines for presentation of a forecast, and the underlying assumptions provide a reasonable basis for the Authority’s forecast. Based upon the assumptions in our report, the projected revenues provide adequate funds to maintain strong debt service coverage ratios during the Forecast Period for the issuance of the Series 2025 Revenue Bonds. However, there will be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Raftelis Financial Consultants, Inc.

Charlotte, North Carolina
June 2, 2025


By: Joseph F Crea
Vice President


Scott Hadler
Senior Consultant

Spalding County Water and Sewerage Facilities Authority, Georgia
Historical Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage
For the Fiscal Year Ended June 30

	2020 <i>Actual</i>	2021 <i>Actual</i>	2022 <i>Actual</i>	2023 <i>Actual</i>	2024 <i>Actual</i>
Operating Revenue					
Water User Charges (1)	\$ 8,979,517	\$ 9,075,684	\$ 10,274,711	\$ 9,418,755	\$ 10,096,685
Other Operating Revenues (2)	244,883	307,091	290,711	365,733	593,676
Subtotal Operating Revenue	<u>\$ 9,224,400</u>	<u>\$ 9,382,775</u>	<u>\$ 10,565,422</u>	<u>\$ 9,784,488</u>	<u>\$ 10,690,361</u>
Operating Expenses					
Water Operating Expenses (3)	\$ (6,945,144)	\$ (6,907,992)	\$ (6,810,704)	\$ (7,729,136)	\$ (8,117,619)
Depreciation and Amortization	(745,832)	(755,977)	(761,563)	(795,566)	(797,226)
Subtotal Operating Expenses	<u>\$ (7,690,976)</u>	<u>\$ (7,663,969)</u>	<u>\$ (7,572,267)</u>	<u>\$ (8,524,702)</u>	<u>\$ (8,914,845)</u>
Operating Income	<u>\$ 1,533,424</u>	<u>\$ 1,718,806</u>	<u>\$ 2,993,155</u>	<u>\$ 1,259,786</u>	<u>\$ 1,775,516</u>
Nonoperating Revenue (Expenses)					
Interest Income	30,403	686	638	74,129	320,361
Interest Expense (4)	(283,904)	(208,411)	(188,993)	(169,430)	(268,506)
Loss on Disposal of Asset	-	-	-	(1,086,450)	-
Subtotal Nonoperating Revenue (Expenses)	<u>(253,501)</u>	<u>(207,725)</u>	<u>(188,355)</u>	<u>(1,181,751)</u>	<u>51,855</u>
Income Before Transfers and Capital Contributions	<u>\$ 1,279,923</u>	<u>\$ 1,511,081</u>	<u>\$ 2,804,800</u>	<u>\$ 78,035</u>	<u>\$ 1,827,371</u>
Adjustments (5)					
Plus: Depreciation and amortization	\$ 745,832	\$ 755,977	\$ 761,563	\$ 795,566	\$ 797,226
Plus: Interest Expense	283,904	208,411	188,993	169,430	268,506
Plus: Loss on Disposal of Asset	-	-	-	1,086,450	-
A Net Revenues	<u>2,309,659</u>	<u>2,475,469</u>	<u>3,755,356</u>	<u>2,129,481</u>	<u>2,893,103</u>
Parity Indebtedness					
Series 2015 Bonds (6)	\$ 1,141,694	\$ 1,178,525	\$ 1,176,750	\$ 1,184,075	\$ 1,189,131
B Subtotal: Parity Indebtedness	<u>\$ 1,141,694</u>	<u>\$ 1,178,525</u>	<u>\$ 1,176,750</u>	<u>\$ 1,184,075</u>	<u>\$ 1,189,131</u>
Debt Service Coverage - Parity Indebtedness (A/B)	2.02	2.10	3.19	1.80	2.43
C G.O., Subordinate, and Other Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
D Total Debt Service: Parity plus G.O., Subordinate, and Other Indebtedness (B+C)	<u>\$ 1,141,694</u>	<u>\$ 1,178,525</u>	<u>\$ 1,176,750</u>	<u>\$ 1,184,075</u>	<u>\$ 1,189,131</u>
Debt Service Coverage - Total Debt (A/D)	2.02	2.10	3.19	1.80	2.43
Net Revenues After Total Debt (A-D)	<u>\$ 1,167,965</u>	<u>\$ 1,296,944</u>	<u>\$ 2,578,606</u>	<u>\$ 945,406</u>	<u>\$ 1,703,972</u>
Accrual Adjustments & Transfers Out (7)	126,560	(1,276,576)	1,146,908	(950,405)	293,147
Purchase of Capital Assets (8)	229,129	935,697	2,147,051	453,570	1,650,400
Transfer In/ Capital Contributions	84,706	665,914	23,600	533,299	461,186
Surplus Revenues Remaining/ (Used) After Total Cash Needs	<u>\$ 956,699</u>	<u>\$ 1,907,606</u>	<u>\$ 1,408,098</u>	<u>\$ 1,362,512</u>	<u>\$ 949,639</u>
Beginning Balance - Cash and Cash Equivalents (6)	\$ 13,656,744	\$ 14,384,314	\$ 15,356,223	\$ 14,640,870	\$ 16,083,111
Ending Balance - Cash and Cash Equivalents (6)	<u>\$ 14,384,314</u>	<u>\$ 15,356,223</u>	<u>\$ 14,640,870</u>	<u>\$ 16,083,111</u>	<u>\$ 15,843,536</u>

Notes to the Historical Statement:

- (1) User Charges include monthly minimum charge revenue and volumetric revenues from the sale of water for all Authority customer classes. See Explanatory Notes 7 and 8 for more information.
- (2) Other operating revenues include revenues from water taps and system development charges, industrial surcharges, and miscellaneous operating revenues. See Explanatory Note 8 for more information.
- (3) See Explanatory Note 6 for more information on Water Current Expenses.
- (4) Interest expense is the summation of annual interest payments for all outstanding Bonds, State Revolving Fund (SRF) loans (Subordinate Indebtedness), and installment purchase loans (Other Indebtedness).
- (5) Consistent with the Trust Indenture securing the Series 2015 Bonds, certain expenses are added back in to determine Net Revenues.
- (6) See Explanatory Note 10 for more information. The cash and cash equivalents match the Authority's audited financial statements (included as part of the Spalding County Audit).
- (7) Represents accrual adjustments in order to reconcile to change in cash.
- (8) Represents capital projects funded with cash from user rates and charges and/or capital reserves. In FY 2024 the amount reflects the reimbursement of prior expenditures and a receipt of grant funding for future capital expenditures.

Spalding County Water and Sewerage Facilities Authority, Georgia
Forecasted Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage
For the Fiscal Year Ending June 30th

	FY 2025 <i>Estimated</i>	FY 2026 <i>Forecasted</i>	FY 2027 <i>Forecasted</i>	FY 2028 <i>Forecasted</i>	FY 2029 <i>Forecasted</i>	FY 2030 <i>Forecasted</i>
Operating Revenue						
Water User Charges (1)	\$ 10,566,308	\$ 11,404,942	\$ 11,683,427	\$ 11,968,745	\$ 12,261,067	\$ 12,560,564
Sewer User Charges (1)	-	-	141,143	218,066	374,347	494,194
Other Operating Revenues (2)	323,625	250,000	324,830	1,281,869	813,095	1,301,652
Subtotal Operating Revenue	\$ 10,889,933	\$ 11,654,942	\$ 12,149,400	\$ 13,468,681	\$ 13,448,508	\$ 14,356,410
Operating Expenses						
Water Operating Expenses (3)	\$ (7,988,281)	\$ (8,137,092)	\$ (8,427,088)	\$ (8,787,734)	\$ (9,077,816)	\$ (9,377,924)
Sewer Operating Expenses (3)	(967,500)	(477,393)	(1,106,760)	(1,140,731)	(1,183,001)	(1,222,586)
Subtotal Operating Expenses	\$ (8,955,781)	\$ (8,614,485)	\$ (9,533,848)	\$ (9,928,465)	\$ (10,260,817)	\$ (10,600,510)
Operating Income	\$ 1,934,152	\$ 3,040,458	\$ 2,615,552	\$ 3,540,216	\$ 3,187,691	\$ 3,755,900
Nonoperating Revenue (Expenses)						
Interest Income (4)	189,850	159,188	159,188	204,874	234,809	249,383
Interest Expense (5)	-	(1,179,063)	(1,219,500)	(1,201,000)	(1,181,750)	(1,161,500)
Subtotal Nonoperating Revenue (Expenses)	189,850	(1,019,875)	(1,060,312)	(996,126)	(946,941)	(912,117)
Income Before Transfers and Capital Contributions	2,124,002	2,020,583	1,555,240	2,544,089	2,240,751	2,843,782
Adjustments (6)						
Plus: Interest Expense	-	1,179,063	1,219,500	1,201,000	1,181,750	1,161,500
A Net Revenues	\$ 2,124,002	\$ 3,199,646	\$ 2,774,740	\$ 3,745,089	\$ 3,422,501	\$ 4,005,282
Parity Indebtedness						
Series 2015 Bonds	\$ 1,186,956	-	-	-	-	-
Series 2025 Revenue Bonds (7)	-	1,539,063	1,589,500	1,586,000	1,586,750	1,586,500
B Subtotal: Parity Indebtedness	\$ 1,186,956	\$ 1,539,063	\$ 1,589,500	\$ 1,586,000	\$ 1,586,750	\$ 1,586,500
Debt Service Coverage - Parity Indebtedness (A/B)	1.79	2.08	1.75	2.36	2.16	2.52
C G.O., Subordinate, and Other Indebtedness (8)	-	-	-	-	-	-
D Total Debt Service: Parity plus G.O., Subordinate, and Other Indebtedness (B+C)	1,186,956	1,539,063	1,589,500	1,586,000	1,586,750	1,586,500
E Debt Service Coverage - Total Debt (A/D)	1.79	2.08	1.75	2.36	2.16	2.52
Net Revenues After Total Debt	\$ 937,046	\$ 1,660,583	\$ 1,185,240	\$ 2,159,089	\$ 1,835,751	\$ 2,418,782
Other Cash Funded CIP & Transfers Out (9)	(730,000)	-	-	-	(1,688,844)	(569,083)
Transfer In (10)	-	-	500,000	500,000	500,000	-
Surplus Revenues Remaining/ (Used) After Total Cash Needs	\$ 207,046	\$ 1,660,583	\$ 1,685,240	\$ 2,659,089	\$ 646,907	\$ 1,849,699
Beginning Balance - Cash and Cash Equivalents (11)	\$ 15,843,536	\$ 16,050,582	\$ 17,711,165	\$ 19,396,405	\$ 22,055,494	\$ 22,702,401
Ending Balance - Cash and Cash Equivalents (11)	\$ 16,050,582	\$ 17,711,165	\$ 19,396,405	\$ 22,055,494	\$ 22,702,401	\$ 24,552,100
Days of Cash on Hand (O&M)	651 days	666 days	703 days	755 days	771 days	800 days

Notes to the Forecast Statement

1. Reflects the combined Water User Charges applied to all customers. These amounts include revenues from monthly minimum charges and volumetric rates from the sale of water and treatment of sewer for all the System's customer classes. Rates and charges are increasing over the Forecast Period due to forecast rate adjustments in each year through FY 2030 on System customer rates. Growth in the number of customer accounts or water and sewer billable consumption is included in the projection of revenues for this forecast. Refer to Explanatory Notes 4, 7, and 8 for more information.
2. System development fees are based on anticipated growth in the System's service area and based on the approved charges that were effective as of March 1, 2025. See Explanatory Notes 4 and 8 for more information. Other Operating Revenues include revenues from water taps, industrial surcharges, and miscellaneous operating revenues. See Explanatory Note 8 for more information.
3. Includes Operating Expenses related to the operation of the water and sewer utility systems. The majority of sewer operating expenses are related to planning and professional services for developing the sewer system. See Explanatory Note 6 for more information.
4. Investment Earnings are derived from the balance of the Authority's Water Operating Fund, which are invested in a money market account. The FY 2025 amount is consistent with budgeted revenue and projected future earnings and are anticipated to remain constant throughout the Forecast Period.
5. Interest Expense is the summation of annual interest payments for all outstanding and proposed revenue Bonds, SRF loans through the Georgia Environmental Finance Authority (Subordinate Indebtedness).
6. Certain expenses are added back in to determine Net Revenues pursuant to the Bond Resolution under which the Series 2025 Bonds will be issued.
7. The proposed debt service for the Series 2025 Revenue Bonds is based on preliminary pricing provided by the Authority's Underwriter, Raymond James, as of April 28, 2025. Assumes a final par amount of \$24,750,000 and a 31-year final maturity with a True Interest Cost ("TIC") of 4.92%. See Explanatory Note 6 for additional information.
8. The Authority isn't anticipating any subordinate or other indebtedness during the Forecast Period.
9. Represents capital projects funded with cash from user rates and charges and/or capital reserves. See Explanatory Note 6 for more information.
10. Reflects anticipated transfers from Spalding County to support the sewer enterprise during its initial years. The County has committed to providing \$500,000 of support per year for three years.
11. The starting point for the cash reserves is the amount shown for Cash and Cash Equivalents in the FY 2024 audited financial statements of the Authority, included within the Spalding County Annual Comprehensive Financial Report (ACFR). See Exhibit 19 for more information.

SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
EXPLANATORY NOTES

FOR THE SIX FISCAL YEARS ENDING
JUNE 30, 2025 THROUGH JUNE 30, 2030

1. Basis of Presentation

Raftelis Financial Consultants, Inc. (“Raftelis”) has been engaged by the Spalding County Water and Sewerage Facilities Authority, Georgia (the “Authority”) to evaluate the financial feasibility of proposed improvements to its water and wastewater utility systems. The opinion letter to the Authority is based upon the Forecast Statement of Revenues, Expenses, Debt Service, and Debt Service Coverage (the “Forecast Statement”) and this Summary of Significant Forecast Assumptions (taken together, the “Feasibility Evaluation”) which presents, to the best of Raftelis’ knowledge and belief based upon available information provided by the Authority, the expected revenue, expenses, debt service, and debt service coverage for the System during the Forecast Period (as defined below).

All schedules in the Feasibility Evaluation have been presented in accordance with the Authority’s annual accounting cycle, based upon its fiscal year beginning July 1 and ending June 30 (“Fiscal Year” or “FY”). Accordingly, the forecast reflects the Authority’s judgement as of April 28, 2025, the date of this forecast, of the expected conditions and the Authority’s expected course of action during each of the six fiscal years ending June 30, 2025, through June 30, 2030 (the “Forecast Period”).

The Feasibility Evaluation has been included as a part of the Official Statement for the Authority’s Water and Sewerage Revenue Bonds, Series 2025 (“Series 2025 Revenue Bonds”), to be issued under the Bond Resolution adopted by the Authority on April 30, 2025, as supplemented (the “Bond Resolution”). This Feasibility Evaluation focuses on evaluating the impact of the Series 2025 Revenue Bonds, the proceeds of which will be to refund the existing series 2015 bonds, fund the construction of a sewer treatment plant that can treat 200 thousand gallons per day, fund the development of an influent pump station sized for 650 thousand gallons per day, and build gravity sewer lines sized for 650 thousand gallons per day.

The Feasibility Evaluation is based upon cost, operating, demographic and other relevant information provided by the Authority’s and the debt service schedules provided to the Authority by its Underwriter, Raymond James. Unless otherwise noted, the Feasibility Evaluation is presented in conformity with the methodology for calculating debt service coverage for the Series 2025 Revenue Bonds. The assumptions disclosed herein are those that the Authority believes are significant to the forecast. There will be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

2. Background and Scope of Operations

Overview of System Service Area

The System supplies water to residential, commercial, and industrial customers located within the unincorporated area of the County and currently provides no sewerage services. As of March 31, 2025, the System served 15,654 residential and industrial/commercial water customers. Previously, the System offered very limited sewerage services, but on June 29, 2023, the Authority transferred its limited sewer system assets to the City of Griffin (the “City”), after which it operated exclusively as a water utility. However, with the Series 2025 Project, the Authority plans to re-enter the wastewater treatment service sector focusing on the AKB Employment Corridor.

Water System Facilities and Management

The water system consists of a 525-mile network of water lines ranging in sizes from 2 inches to 16 inches located throughout the unincorporated area of the County with three 500,000 gallon elevated storage tanks (Sunnyside, Rover and Heron Bay) and one 1.5M gallon elevated storage tank (Jordan Hill). Presently, the Authority purchases 100% of its potable water requirements from the City of Griffin on a wholesale basis under a Water Sales Agreement which terminates on December 31, 2045. See “THE SYSTEM – The Water Sales Agreement.” Monthly customer billing and most water line maintenance and repair are performed by the City. In 1995, all day to day operations of the Authority were assumed by the County. Pursuant to the Service Agreement, beginning in 2024, the Authority reassumed all day-to-day operations and contracts with Spalding County for limited services, including but not limited to human resources, finance, and renting of office space and utilities. The General Manager operates under the direction of the Authority and its officers and all other Authority personnel operate under the direction of the General Manager. The County currently employs 10 people who perform the administrative and support functions of the Authority as well as for the County. These employees consist of a business officer and staff responsible for maintaining financial and operational records and providing human resources services.

Water Sales Agreement

The City and the Authority entered into a Water Sales Agreement and Intergovernmental Agreement defining the relationship between the City and the Authority, effective January 1, 2021 (the “Water Sales Agreement”), which replaced the prior agreement that terminated by its terms on December 31, 2020. Under the Water Sale Agreement, the Authority agrees to purchase from the City, and the City agrees to provide, subject to written notice of substantiated additional demand given by the Authority, all of its treated water requirements for the System, except for treated water sold by the Henry Authority exclusively to serve a specified subdivision located within the Authority’s service area. The Authority pays the City a price per 1,000 gallons of water consumed, based on the City’s actual audited costs in providing the water, plus a defined markup. The markup is equal to 4.50% of depreciated water system assets divided by the volume of water sold. Rate adjustments are made on an annual basis on 30 days advance written notice from the City to the Authority. The following table shows the price paid by the Authority per 1,000 gallons of water consumed for the last five calendar years.

	<u>CY 2021</u>	<u>CY 2022</u>	<u>CY 2023</u>	<u>CY 2024</u>	<u>CY 2025</u>
Price per 1,000 Gallons	\$6.720	\$7.060	\$6.727	\$7.211	\$6.781

The Water Sales Agreement prohibits the Authority (unless the City gives its consent) to compete with the City for the right to serve customers within certain designated City service areas in the unincorporated parts of the County. Industrial customers (minimum average daily use of 100,000 gallons) located in the unincorporated areas of the County are deemed City customers. The City is permitted to sell water at wholesale rates to jurisdictions outside of the Authority's service area; provided, that, if such sales require the use of the Authority's transmission lines, the City will pay the Authority a 1% transmission fee. The Water Sales Agreement provides that the City is required to maintain and operate the water system and any future additions thereto for the term of the Water Sales Agreement and to keep the water system in good operating condition. The City is not obligated, however, to upgrade the water system or to replace any water line required to be replaced because of physical age or obsolescence or where existing lines are undersized to meet present or future customer requirements. The City is responsible for reading all customer water meters of customers located on the water system on a monthly basis and preparing and sending to the water system customers statements for water consumed. On a monthly basis, the City is obligated to remit to the Authority all sums collected from the customers of the water system less deductions for sums payable to the City under the Water Sales Agreement for the water purchased.

The Water Sales Agreement expires on December 31, 2045, unless sooner terminated by the agreement of the parties thereto. Management of the Authority anticipates that either the Water Sales Agreement will be extended through the maturity of the Series 2025 Revenue Bonds, or if such negotiations are unsuccessful, another water source will be obtained.

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3. Regulations

The operation of the System's facilities is regulated by the United States Environmental Protection Agency ("EPA") and the Georgia Department of Environmental Protection ("DEP"). The water and sewer projects identified in the capital improvement plan (see Explanatory Note 5) have been designed by the System to be in compliance with all appropriate regulations and to address the water and sewer requirements of the System's service area. Even though Federal and State environmental legislation and regulations are constantly evolving, management does not anticipate regulatory changes that will require additional capital costs to maintain operating permits during the Forecast Period or that will otherwise have a material impact on the construction cost of the projects to be funded by the Series 2025 Revenue Bonds or other financings.

The System is currently in compliance with all Federal and State environmental legislation and regulations, and necessary measures are being taken to ensure that the state's Watershed Protection Branch standards for discharge and non-discharge are met in the future. Management has indicated that the System is proactive in addressing regulatory issues and maintains water and sewer master planning documents.

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4. Demand for Services

At March 31, 2025, the System provided water services to 15,654 retail water customers. Spalding County has experienced steady growth in the number of customers connected to the water system over the past five years. The Authority's water customers increased by approximately 2.43%, as shown in Exhibit 1, reflecting the growth in number of connections since FY 2020. This growth has primarily occurred among residential customers. Additionally, the increase in commercial and industrial customers shown in FY 2023 and FY 2024 is partly due to an update in the utility billing system that corrected a previous misclassification between the City of Griffin and the Authority. The forecast assumes continued growth in the System service area over the next 5 years. Exhibit 2 presents the number of water accounts by customer class.

Exhibit 1

Water Accounts (Historical)

	<u>FY2020</u> <i>Actual</i>	<u>FY2021</u> <i>Actual</i>	<u>FY2022</u> <i>Actual</i>	<u>FY2023</u> <i>Actual</i>	<u>FY2024</u> <i>Actual</i>
<u>Water Customer Accounts</u>					
Residential	13,444	13,774	14,203	14,509	14,728
Commercial	345	353	364	416	449
Industrial	13	14	14	19	22
Institutional	139	139	139	145	149
Municipal	27	27	27	27	27
Subtotal: Water Customer Accounts	13,968	14,307	14,747	15,116	15,375
<i>% Change</i>		2.43%	3.08%	2.50%	1.71%

Exhibit 2

Water Account Projections

	<u>FY2025</u> <i>Projected</i>	<u>FY2026</u> <i>Projected</i>	<u>FY2027</u> <i>Projected</i>	<u>FY2028</u> <i>Projected</i>	<u>FY2029</u> <i>Projected</i>	<u>FY2030</u> <i>Projected</i>
<u>Water Customer Accounts</u>						
Residential (1)	15,007	15,082	15,157	15,233	15,309	15,385
Commercial	449	449	449	449	449	449
Industrial	22	22	22	22	22	22
Institutional	149	149	149	149	149	149
Municipal	27	27	27	27	27	27
Subtotal: Water Customer Accounts	15,654	15,729	15,804	15,880	15,956	16,032
<i>% Change</i>		0.48%	0.48%	0.48%	0.48%	0.48%

(1) Residential Accounts are projected to increase by 0.50% per year.

The Authority’s reentry into the sewer sector aligns with their strategic recognition that sewer infrastructure is a critical element in advancing Spalding County’s long-term economic development objectives. In 2022, the Authority commissioned a sewer feasibility study to identify a targeted area that would allow for a measured and practical entry into sewer service. The study concluded that the Arthur K. Bolton Parkway (AKB) employment corridor offers both a feasible entry point and strong alignment with the County’s strategy to promote sustained commercial and industrial growth.

The Authority is constructing the proposed sewer system to provide service to the AKB Employment Corridor which is expected to support continued non-residential development. The Authority has engaged in conversations with developers that intend to construct a facility that will potentially deliver 20,000 gallons per day (gpd) of wastewater flow and another that may use up to 10,000 gpd of wastewater flow. Additional customers are not yet identified with certainty and Exhibit 3 below outlines the assumed connections that will join the new sewer system through 2030. It is possible that the sewer system will receive flow from residential developments; however, at this time, no residential use has been included in the forecast.

Exhibit 3

Anticipated Non-Residential Wastewater Service Growth

Fiscal Year	Sewer Customer Number	Projected New Customer Usage (GPD)
2027	1	20,000
2027	2	10,000
2028	3	15,000
2029	4	15,000
2029	5	15,000
2030	6	10,000
2030	7	10,000

Exhibit 4

Wastewater Account Projections

	<u>FY2025</u> <i>Projected</i>	<u>FY2026</u> <i>Projected</i>	<u>FY2027</u> <i>Projected</i>	<u>FY2028</u> <i>Projected</i>	<u>FY2029</u> <i>Projected</i>	<u>FY2030</u> <i>Projected</i>
Sewer Customer Accounts						
Residential	-	-	-	-	-	-
Non-Residential (1)	-	-	2	3	5	7
Subtotal: Sewer Customer Accounts	-	-	2	3	5	7
% Change		0.00%	100.00%	50.00%	66.67%	40.00%

(1) Outlined in Exhibit 3.

Similar to the growth in the number of accounts, water consumption has increased over the past five years. Since FY 2020, the Authority’s water consumption has risen by 1.63% per year. Historical water consumption can be seen in Exhibit 5. The primary growth has occurred in residential usage. Exhibit 6 presents projected water and sewer consumption throughout the Forecast Period. Residential water consumption is forecast to increase by 0.50% annually with other classes remaining constant. Sewer consumption is forecast based on Exhibit 3.

Exhibit 5**Water and Sewer Historical Consumption – All Usage**

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
<u>Water Usage (Kgals)</u>					
Residential	711,431	703,663	713,482	736,120	734,490
Commercial	56,954	56,332	57,118	73,407	83,582
Industrial	15,086	14,922	15,130	13,179	18,993
Institutional	29,333	29,013	29,418	35,263	32,575
Municipal	8,520	8,427	8,545	6,952	6,617
<i>Water Usage Total</i>	821,325	812,357	823,693	864,921	876,256
<i>% Change</i>		-1.09%	1.40%	5.01%	1.31%

Exhibit 6**Water and Sewer Consumption Projections – All Usage**

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>Water Usage (Kgals)</u>						
Residential (1)	738,162	769,310	773,157	777,023	780,908	784,812
Commercial	83,582	83,582	83,582	83,582	83,582	83,582
Industrial	18,993	18,993	18,993	18,993	18,993	18,993
Institutional	32,575	32,575	32,575	32,575	32,575	32,575
Municipal	6,617	6,617	6,617	6,617	6,617	6,617
<i>Water Usage Total</i>	879,929	911,077	914,923	918,789	922,674	926,579
<i>% Change</i>	0.42%	3.54%	0.42%	0.42%	0.42%	0.42%
<u>Sewer Usage (Kgals) (2)</u>						
Residential	-	-	-	-	-	-
Non-Residential	-	-	10,950	16,425	27,375	34,675
<i>Sewer Usage Total</i>	-	-	10,950	16,425	27,375	34,675
<i>% Change</i>	0.00%	0.00%	100.00%	50.00%	66.67%	26.67%

- (1) Residential water consumption is forecast to increase by 0.50% annually.
- (2) Projected customer demand is shown in Exhibit 3.

The Authority's ten largest customers account for approximately 7.63% of annual water revenues and 8.55% of annual water system consumption. Exhibit 7 lists the Authority's top ten largest retail water customers, and their annual consumption and revenues as of June 30, 2024.

Exhibit 7**Water Top 10 Customers – Usage and Revenues**

<u>FY 2024 Top Ten Largest Water Customers</u>	Total Revenue	Total Usage (Kgal)	% of Total Revenue	% of Total Usage
Spalding County Law Enforcement	\$ 172,493.52	15,460	1.67%	1.76%
Trimark Northside LLC	149,534.45	13,561	1.44%	1.55%
AEP Industries Inc	92,969.61	8,081	0.90%	0.92%
Levine	80,854.45	7,185	0.78%	0.82%
Caterpillar Inc	76,665.13	6,902	0.74%	0.79%
Pine Glen Mhp LLC	65,803.62	5,954	0.64%	0.68%
Brightmoor Health	63,489.49	5,750	0.61%	0.66%
Spalding County Correctional Institution	54,713.93	4,879	0.53%	0.56%
Marukan Vinegar Usa Inc	41,165.19	3,682	0.40%	0.42%
Walker Concrete Company LLC	38,868.63	3,478	0.38%	0.40%
Total Top Ten Customers	\$ 836,558	74,932	8.08%	8.55%
All Other Users	9,521,144	801,324	91.92%	91.45%
Total System Water Use	\$ 10,357,702	876,256	100%	100%

5. Capital Improvement Plan

The Capital Improvement Plan (“CIP”) for the Authority consists of projects that are anticipated to occur over the Forecast Period. The CIP provides a list of projects needed to maintain the water and sewer facilities in good working condition, provide sewer service to new customers, and to ensure the Authority follows all federal, state, and local regulations and mandates.

The Authority’s most recent Water CIP was developed in 2024 and was approved by the Board of the Authority in February 2025 as part of the water rate study prepared by Raftelis. The Water CIP includes water line improvements in fiscal years 2026 through 2029 at a total cost of approximately \$23.7 million, with repayment of the funding of such improvements commencing in fiscal year 2030. Subsequent to the approval of the Water CIP, the Board determined to move forward with the Series 2025 Project, reprioritizing the use of financial resources. Although the Water CIP has not been formally amended by the Board, Authority management reasonably expects that the Water CIP will be deferred by at least three years, which deferral is not expected to have an adverse effect on the operations or financial condition of the Authority or customer service. It is expected that the Water CIP, when implemented, will be funded with revenues from Authority operations generated in part by the newly imposed water capital recovery fee and financing through the issuance of revenue bonds or loans from the Georgia Environmental Finance Authority.

The most significant project in the CIP is the development of the new wastewater treatment plant and collection system, which will cost approximately \$24.6 million. The Proposed Series 2025 Bonds are the primary funding source for the wastewater treatment plant and collection system. The Authority received approximately \$2.9 million of Spalding County’s \$12,956,276 American Rescue Plan Act (ARPA) allocation to support the sewer system construction. The wastewater treatment plant will have the capacity to treat 200,000 gallons per day, while the gravity sewer lines and influent pump stations will be sized for flows up to 650,000 gallons per day.

Exhibit 8 shows the detailed CIP over the forecast period. Future capital spending is reported in current dollars and has been escalated by a 3.0% annual inflationary factor for future funding requirements and forecasting. Overall, approximately 66% of the total capital needs will be funded through proposed bond proceeds. Around 17% will be financed with state revolving fund loans, 8% through capital reserves and cash, and 9% with ARPA fund. The debt service associated with the proposed water loans is forecast to start in FY 2031.

Exhibit 8

 **Capital Improvement Plan**

	<u>Funding Source</u>	<u>Total Cost</u> <i>Current Dollars</i>	<u>FY 2025</u> <i>Inflated</i>	<u>FY 2026</u> <i>Inflated</i>	<u>FY 2027</u> <i>Inflated</i>	<u>FY 2028</u> <i>Inflated</i>	<u>FY 2029</u> <i>Inflated</i>	<u>FY 2030</u> <i>Inflated</i>
Systemwide CIP								
<u>Water Capital Improvements</u>	Paygo & GEFA	\$ 7,407,672	\$ -	\$ -	\$ -	\$ -	\$ 1,688,844	\$ 6,848,013
<u>Sewer Capital Improvements</u>								
Series 2025 Project - Bond Portion	Bonds	\$ 21,000,000	21,000,000	-	-	-	-	-
Series 2025 Project -ARPA Portion	ARPA	2,900,000	2,900,000	-	-	-	-	-
Series 2025 Project - Paygo Portion	Paygo	730,000	730,000	-	-	-	-	-
Subtotal: Sewer Capital Improvements		\$ 24,630,000	\$ 24,630,000	\$ -	\$ -	\$ -	\$ -	\$ -

6. Financing Plan

The Authority’s Underwriter, Raymond James, has provided information regarding the timing, size, and terms of the bonds to be issued over the Forecast Period. The timing, size, and terms of the bonds to be issued over the Forecast Period is based on information from the Authority and its underwriter. This financing plan has been designed to accomplish the following objectives:

- Provide funds as needed and in the most cost-effective manner;
- Meet credit criteria established by rating agencies; and
- Lessen the impact on rates.

Exhibit 9 provides a summary of the Sources and Uses of Funds for the Series 2025 Revenue Bonds based on pricing provided by the Authority’s Underwriter. Exhibit 10 shows the debt service schedule for the Authority’s outstanding and planned indebtedness.

Exhibit 9

Sources and Uses of Series 2025 Bond Funds

Series 2025 Revenue Bonds (1)	
	<i>Total</i>
Sources	
Par Amount	\$ 24,750,000
Net Premium	917,708
Reoffering Premium	230,640
Total	\$ 25,898,348
Uses	
Deposit to Project Construction Fund	21,000,000
Deposit to Current Refunding Fund	4,448,054
Rounding Amount	4,794
Total	\$ 25,452,848
Cost of Issuance & Underwriter's Discount	
	445,500
Total Uses	\$ 25,898,348

(1) Based on pricing provided by Raymond James dated April 25, 2025.

Exhibit 10

Existing and Proposed Long-Term Debt Service

Enterprise System Indebtedness	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<u>Revenue Bonds</u>						
Series 2015 Bonds	\$ 1,186,956	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2025 Bonds (1)	-	1,539,063	1,589,500	1,586,000	1,586,750	1,586,500
<i>Subtotal: Revenue Bonds</i>	\$ 1,186,956	\$ 1,539,063	\$ 1,589,500	\$ 1,586,000	\$ 1,586,750	\$ 1,586,500

(1) Assumes a \$24.75 million revenue bond to fund construction of a treatment plant, gravity sewer lines, and influent pump station, based on a 30-year term and a true interest cost of 4.92% starting in 2026.

7. System Expenses

Exhibit 11 shows a combined forecast of operating expenses, non-operating expenses, and other expenditures for the water and sewer system. Operating expenses represent normal recurring expenses incurred during the System’s annual accounting cycle based upon its fiscal year ending June 30. Operating expenses for FY 2025 are based on the System’s approved budget.

Operating expenses in future years are based on the FY 2025 budget and escalated approximately 3% per year except for Personal Services, which are escalated at at 5% per year. Operating expenses include the following:

- Purchased Water: The Authority purchases water from the City of Griffin, which constitutes the largest portion of the operating expenses.
- Personal Services: Includes costs such as salaries, employee benefits, overtime, and group insurance.
- Contracted Services & Benefits: Covers expenses for consultant engineers, legal fees, employee physical exams, licenses, post-recertification, travel, advertising, software maintenance, and rentals.
- Material and Supplies: Encompasses office supplies, utilities, auto supplies, and uniform supplies.
- Wastewater: Additional operating costs for running the new wastewater operation.
- GIS: Geographic Information System software support expenses.

Non-operating expenses include existing and proposed debt service and planned capital expenditures funded with cash on hand. The requirements for Cash Funded CIP are based on the five-year improvements plan provided by the Authority. (See Explanatory Note 5 for additional information.) Exhibit 11 shows a combined forecast of operating and non-operating expenses, and other expenditures and transfers for the water and sewer system.

Exhibit 11

Operating and Non-Operating Expenses and Capital Expenditures – Water and Sewer

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
	<i>Budget</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Water and Wastewater Operating Expenses						
<u>Operating Expenses</u>						
Purchased Water	\$ 5,515,101	\$ 5,680,555	\$ 5,850,971	\$ 6,026,500	\$ 6,207,295	\$ 6,393,514
Personal services	811,757	883,323	927,489	973,864	1,022,557	1,073,685
Contracted services & Benefits	892,215	904,453	956,360	985,050	1,014,602	1,045,040
Material and Supplies	489,481	372,750	381,925	393,383	405,184	417,340
Wastewater	967,500	477,393	1,106,760	1,140,731	1,183,001	1,222,586
GIS	279,727	296,011	310,343	408,937	428,178	448,345
<i>Subtotal: Operating Expenses</i>	\$ 8,955,781	\$ 8,614,485	\$ 9,533,848	\$ 9,928,465	\$ 10,260,817	\$ 10,600,510
Enterprise System Indebtedness						
<u>Revenue Bonds</u>						
Series 2015 Bonds	\$ 1,186,956	\$ -	\$ -	\$ -	\$ -	\$ -
Series 2025 Revenue Bonds	-	1,539,063	1,589,500	1,586,000	1,586,750	1,586,500
<i>Subtotal: Revenue Bonds</i>	\$ 1,186,956	\$ 1,539,063	\$ 1,589,500	\$ 1,586,000	\$ 1,586,750	\$ 1,586,500
Other Expenditures						
Rate Funded Capital	\$ 730,000	\$ -	\$ -	\$ -	\$ 1,688,844	\$ 569,083
<i>Subtotal: Other Expenditures</i>	\$ 730,000	\$ -	\$ -	\$ -	\$ 1,688,844	\$ 569,083
Total: Enterprise System Expenditures	\$ 10,872,737	\$ 10,153,547	\$ 11,123,348	\$ 11,514,465	\$ 13,536,411	\$ 12,756,093
		-6.61%	9.55%	3.52%	17.56%	-5.76%

8. Rates and Charges

Appropriate fees and charges are established to ensure that the water and sewer utility systems can operate on a self-sustaining basis. The Authority increased water rates 9.4% in FY2025 and adopted a new water rate structure starting in FY2026. The projected rate increases over the Forecast Period are required to meet the operating and capital needs of the water and sewer enterprise fund. Historically, the Board has supported water and sewer rate increases needed to support annual operations and capital investment in the utility systems.

Water Charges

The Authority's water rate structure includes two components: a monthly minimum charge and a volumetric charge, as shown in Exhibit 10. Customers pay this monthly charge whether they use any water or not. Effective March 1, 2025, the Authority implemented significant changes to its fee structure. Previously, all customers paid a flat fee, but the new system introduces a meter-based fee. Additionally, the tiered cutoff system underwent modifications. In FY 2025, Tier 1 was set at 7,000 gallons, Tier 2 at 10,000 gallons, and Tier 3 for usage over 10,000 gallons per month. Starting March 1, 2025, the Residential Tier 1 cutoff was reduced to 2,000 gallons, with Tier 2 encompassing usage over 2,000 gallons. Furthermore, the Authority transitioned non-residential customers to a uniform rate system, and industrial customer rates aligning more closely with those of the City of Giffin.

The Authority implemented a Water Capital Recovery Fee effective March 1, 2025. This fee was established based on the value of the existing water system assets and is assessed to all new connections to the water system. The fee for a typical residential customer with a ¾" water meter is \$2,300. This charge increases for larger water meter customers.

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Exhibit 12

Current and Projected Monthly Water Rates and Charges

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>Water Minimum Charge (1)</u>						
5/8"	\$ 13.71	\$ 13.54	\$ 13.81	\$ 14.09	\$ 14.37	\$ 14.66
3/4"	13.71	13.54	13.81	14.09	14.37	14.66
1"	13.71	13.54	13.81	14.09	14.37	14.66
1 1/2"	13.71	27.08	27.62	28.17	28.74	29.31
2"	13.71	54.16	55.24	56.35	57.47	58.62
3"	13.71	216.63	220.97	225.38	229.89	234.49
4"	13.71	338.49	345.26	352.16	359.21	366.39
6"	13.71	676.98	690.52	704.33	718.41	732.78
8"	13.71	1,083.16	1,104.83	1,126.92	1,149.46	1,172.45
<u>Volumetric Rates (per Kgal) Residential (2)</u>						
Tier 1	\$ 8.70	\$ 6.97	\$ 7.11	\$ 7.25	\$ 7.40	\$ 7.54
Tier 2	10.88	11.61	11.84	12.08	12.32	12.57
Tier 3	11.92	11.61	11.84	12.08	12.32	12.57
<u>Volumetric Rates (per Kgal) Commercial (3)</u>						
Tier 1	\$ 8.70	\$ 9.29	\$ 9.48	\$ 9.67	\$ 9.86	\$ 10.06
Tier 2	10.88	9.29	9.48	9.67	9.86	10.06
Tier 3	11.92	9.29	9.48	9.67	9.86	10.06
<u>Volumetric Rates (per Kgal) Industrial (3)</u>						
Tier 1	\$ 8.70	\$ 7.76	\$ 7.92	\$ 8.07	\$ 8.23	\$ 8.40
Tier 2	10.88	7.76	7.92	8.07	8.23	8.40
Tier 3	11.92	7.76	7.92	8.07	8.23	8.40
<u>Volumetric Rates (per Kgal) Institutional (3)</u>						
Tier 1	\$ 8.70	\$ 9.29	\$ 9.48	\$ 9.67	\$ 9.86	\$ 10.06
Tier 2	10.88	9.29	9.48	9.67	9.86	10.06
Tier 3	11.92	9.29	9.48	9.67	9.86	10.06
<u>Volumetric Rates (per Kgal) Municipal (3)</u>						
Tier 1	\$ 8.70	\$ 9.29	\$ 9.48	\$ 9.67	\$ 9.86	\$ 10.06
Tier 2	10.88	9.29	9.48	9.67	9.86	10.06
Tier 3	11.92	9.29	9.48	9.67	9.86	10.06

1. March 1, 2025, the Authority adopted a new set of monthly fixed fees, transitioning from a flat fee that every customer pays to a meter-based fee.
2. The Tier 1 cutoff in FY 2025 was 7,000 gallons, Tier 2 was 10,000 gallons, and Tier 3 was over 10,000 gallons a month. Starting in FY 2026, the Tier 1 cutoff is 2,000 gallons, and Tier 2 is over 2,000 gallons.
3. The Tier 1 cutoff in FY 2025 was 7,000 gallons, Tier 2 was 10,000 gallons, and Tier 3 was over 10,000 gallons a month. Starting in FY 2026, the Authority switches to a uniform rate.

Exhibit 13

Water Capital Recovery Fee

<u>Water Capital Recovery Fee (1)</u>	
5/8"	\$ 2,300
3/4"	2,300
1"	5,750
1.25"	7,659
1.5"	11,500
2"	18,400
3"	36,800
4"	57,500
6"	115,000
8"	184,000

1. Water Capital Recovery Fee was effective March 1, 2025.

Sewer Charges

The Authority is proposing a uniform rate structure for sewer services where customers will be billed based on their water usage. The proposed rates include a flat monthly fee, along with an additional volumetric fee for every thousand gallons of water used. With the development of the sewer system, the Authority is projected to adopt a Sewer Capital Recovery Fee. This fee is intended to recover the capital costs associated with developing the sewer system.

Exhibit 14

Projected Monthly Sewer Rates

	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
	<i>Estimated</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>Usage Sewer Rates (1)</u>					
Monthly Fixed Fee	\$ 25.75	\$ 26.52	\$ 27.32	\$ 28.14	\$ 28.98
Volume Fee per Kgal	\$ 11.10	\$ 11.44	\$ 11.78	\$ 12.13	\$ 12.50

1. FY2026: Proposed rates, which would not be implemented prior to the commissioning of the wastewater treatment plant.

Exhibit 15

 **Sewer Capital Recovery Fee**

<u>Sewer Capital Recovery Fee (1)</u>	
5/8"	\$ 6,591.62
3/4"	6,591.62
1"	16,479.05
1.25"	21,950.09
1.5"	32,958.10
2"	52,732.96
3"	105,465.91
4"	164,790.49
6"	329,580.98
8"	922,826.73

1. The Sewer Capital Recovery Fee has not been adopted, and any rate schedule would be implemented prior to the commissioning of the wastewater treatment plant.

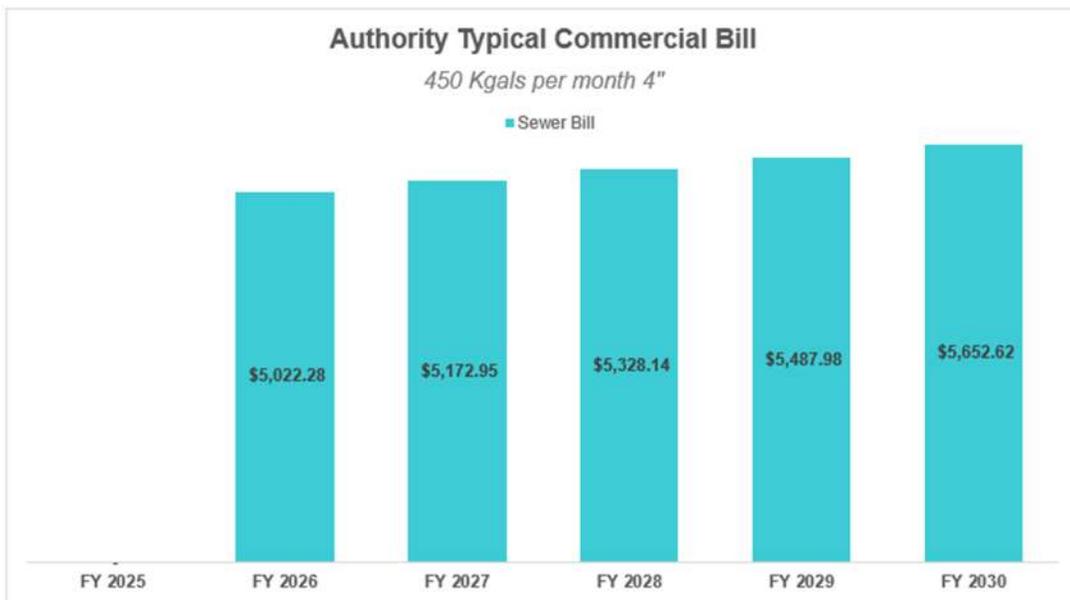
Impact of Rate Increases on a Typical Customer

Exhibit 16 presents the actual and projected water and sewer bills for the average residential and commercial customer. The first chart shows a residential water bill for a customer with a 3/4” meter and 5,000 gallons of water consumption. The second chart shows a commercial sewer bill for a customer with a 4” meter and 450,000 gallons of water consumption.

Chart 1 shows the average residential water bill in FY2025 as \$57.21 per month, with a projected increase of 9% in FY2026 due to the changes in the water rate structure followed by estimated annual increases of approximately 2% throughout the Forecast Period. Chart 2 reflects a FY2026 commercial water bill of \$5,022. For sewer services, once the new rates are adopted, residential and commercial bills are expected to increase by approximately 3% annually over the Forecast Period.

Exhibit 16

Customer bills from FY 2025 to FY 2030



9. Revenues

To meet the financial obligations of the Series 2025 Revenue Bonds, other debt service obligations, and other water and sewer expenses, revenue requirements must be recovered exclusively from revenues associated with the water and sewer system. Revenues include revenues as determined in accordance with generally accepted accounting principles as well as revenues from system development fees, tap and connection fees, and sampling and monitoring fees.

Exhibit 15 shows the projection of operating and non-operating revenues during the Forecast Period for the combined water and sewer system. Operating revenues are comprised of revenues from user rates and charges and revenues from other customer charges and fees, including system development fees. Other Operating Revenues include revenues from water and sewer tap revenues, late charges, and other miscellaneous items. Also presented are anticipated transfers from Spalding County to support the sewer system in the amount of \$500,000 during each of FY2027 through FY2029.

The Authority implemented a cost-justified water capital recovery fee on March 1, 2025. Revenues from capital recovery fees are anticipated throughout the Forecast Period. Additionally, the Authority is projected to implement a sewer capital recovery fee to recover capital costs for the sewer system, expected to be implemented prior to the commission of the wastewater treatment plant.

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Exhibit 17

Estimated Annual Revenues – Water and Sewer System

	<u>FY 2025</u> <i>Forecast</i>	<u>FY 2026</u> <i>Forecast</i>	<u>FY 2027</u> <i>Forecast</i>	<u>FY 2028</u> <i>Forecast</i>	<u>FY 2029</u> <i>Forecast</i>	<u>FY 2030</u> <i>Forecast</i>
Operating Revenue						
<u>User Charges</u>						
Water User Charges	\$ 10,566,308	\$ 11,404,942	\$ 11,683,427	\$ 11,968,745	\$ 12,261,067	\$ 12,560,564
Sewer User Charges	-	-	141,143	218,066	374,347	494,194
Subtotal User Charges	\$ 10,566,308	\$ 11,404,942	\$ 11,824,570	\$ 12,186,811	\$ 12,635,414	\$ 13,054,758
<u>Miscellaneous Revenue</u>						
Water Capital Recovery Fee (1)	\$ 250,000	\$ 324,830	\$ 324,830	\$ 334,575	\$ 344,612	\$ 354,951
Sewer Capital Recovery Fee (2)	-	-	957,039	478,520	957,039	638,026
Subtotal Miscellaneous Revenue	\$ 250,000	\$ 324,830	\$ 1,281,869	\$ 813,095	\$ 1,301,652	\$ 992,977
<u>Nonoperating Revenues</u>						
County Support for Sewer System (3)	-	-	500,000	500,000	500,000	-
Investment Income (4)	\$ 189,850	\$ 159,188	\$ 159,188	\$ 204,874	\$ 234,809	\$ 249,383
Subtotal Nonoperating Revenues	\$ 189,850	\$ 159,188	\$ 659,188	\$ 704,874	\$ 734,809	\$ 249,383
Total: System Revenues	\$ 11,006,158	\$ 11,888,960	\$ 13,765,627	\$ 13,704,780	\$ 14,671,875	\$ 14,297,118

1. On March 1, 2025, the Authority adopted a Water Capital Recovery Fee. From 2025-2027, the budgeted revenue amount from this fee, after investment income, is inflated at 3% per year.
2. The Authority is currently proposing a Sewer Capital Recovery Fee that would become effective for anyone connecting to the sewer system.
3. Spalding County has committed to supporting the sewer enterprise in each of FY2027 through FY2029 with \$500,000 annual contributions to the Authority.
4. Investment income is based on budgeted amounts for fiscal year 2025 through 2027. For fiscal years 2028 through 2030, investment income is estimated based on 1.5% earnings on the eligible cash reserve balance.

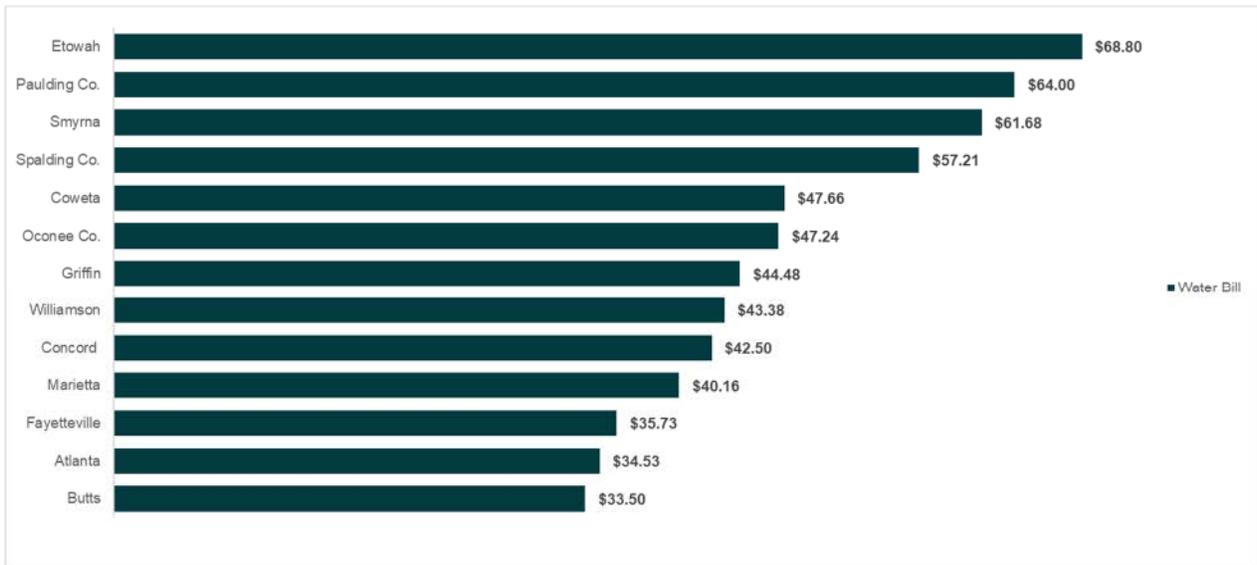
10. Monthly Bill Comparison

The Feasibility Evaluation assumes that additional water rate adjustments, along with the adoption of sewer rates and further adjustments, will be necessary during the Forecast Period. To ensure revenue requirements are met, the Authority increased rates for FY 2024. Additionally, rate increases for FY 2026 have been approved by the Authority’s Board and will be effective on March 1, 2025.

The System also considers the objective to maintain rates that are reasonably affordable and provide a competitive cost environment relative to other utilities. Communities that must purchase water from a wholesale provider, similar to Spalding County, including Paulding County, Smyrna, and Oconee County, generally face higher costs, as shown below. Exhibit 19 shows a comparison of water bills with other representative communities. As shown, the combined water bill for a residential customer in Spalding County is \$57.21 per month or \$686.52 per year.

Exhibit 18

Comparison of Rates with Other Representative Communities (5/8” meter and 5 Kgals per month)



11. Fund Balance

The unrestricted reserve fund balance for FY 2025 through FY 2030 is shown in Exhibit 19. The beginning unrestricted fund balance for FY 2024 equals the amount of cash and cash equivalents from the Authority's audited financial statements at June 30, 2024. A portion of the unrestricted fund balance will be used to fund several projects in the Authority's CIP. Exhibit 19 shows the estimated beginning and ending fund balance over the Forecast Period, as well as the estimated days cash on hand to cover O&M costs and other expenditures, respectively. Days cash on hand is calculated by dividing fiscal year Authority operating costs by ending fund balance for such fiscal year. As shown, the fund balance is anticipated to grow throughout the Forecast Period and these funds can be used to support future capital investments throughout the service area.

Exhibit 19

Combined System Operating Fund Balance

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>
	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>Operating Fund Beginning Balance</u>	\$ 15,843,536	\$ 15,976,957	\$ 15,717,587	\$ 18,359,866	\$ 20,550,181	\$ 21,685,644
Annual Excess / (Deficit) From System Operations and Capital Needs	133,421	(259,370)	2,642,280	2,190,315	1,135,464	1,541,025
<u>Ending Balance</u>	\$ 15,976,957	\$ 15,717,587	\$ 18,359,866	\$ 20,550,181	\$ 21,685,644	\$ 23,226,669
Days Cash on Hand (Days of Total O&M)	651 days	666 days	703 days	755 days	771 days	800 days

