Comprehensive Annual Financial Report
Paulding County, Georgia
For the fiscal year ended
June 30, 2011



Prepared by
Department of Finance

I. Introductory Section

Comprehensive Annual Financial Report

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For Fiscal Year Ended June 30, 2011

Prepared by Department of Finance

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PAULDING COUNTY BOARD OF COMMISSIONERS

240 Constitution Blvd. * Dallas, Georgia 30132
Telephone 770-505-1352 * Fax 770-505-1353

December 22, 2011

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2011, is submitted herewith as mandated by local ordinances and the State of Georgia statutes. These ordinances and statutes require that Paulding County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Management of the County is responsible for establishing and maintaining an internal control structure which is designed to ensure that the assets of the county are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Georgia statutes require an annual audit by an independent firm of certified public accountants. The Board of Commissioners selected the accounting firm of Mauldin & Jenkins CPAs, LLC. The auditor's report on the basic financial statements and schedules is included in the financial section of this report.

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

Profile of Paulding County

Paulding County, incorporated in 1832, was the 87th county created in Georgia and was named after John Paulding, a soldier in the Revolutionary War. Paulding County's rich historical resources include a number of well-preserved Civil War memorials, including the New Hope Church that was the site of the 1864 battle between General Sherman and Confederate General Johnston. The County is located approximately 29 miles northwest of Atlanta and ranks as one of the top ten fastest growing counties in the nation. The County has a land area of 314 square miles and a population of approximately 142,324.

Policymaking and legislative authority are vested in the governing authority, consisting of a five-member Board of Commissioners, including a full-time Chairman. The Commission Chairman is elected at large, while the four other members are elected by district. All members serve four-year, staggered terms. The commission is responsible, among other things, for adopting ordinances and budgets, appointing committees, and confirming department heads. The Chairman is the chief executive and is responsible for carrying out policies and ordinances of the commission and for appointing the heads of the County's departments. The County Administrator is responsible for the daily operations of County functions in accordance with policies of the Board of Commissioners. The governing authority of the County is empowered to levy a property tax on both real and personal property located within its boundaries.

This report includes all funds of the County, as well as its component units. Component units are either 1) legally separate entities for which the County is financially accountable; or 2) entities whose relationship with the County is of a nature and significance that exclusion would cause the County's financial statements to be misleading or incomplete. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position from those of the primary government.

The County provides a full range of services which include law enforcement and fire protection; the construction and maintenance of roads, streets, bridges, and infrastructure; water and sewer; solid waste; and recreational and cultural activities. The Paulding County Board of Education and WellStar Paulding Medical Center have not met the established criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

Budgeting Controls. The County maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Commissioners. Activities of the general fund, special revenue funds, capital projects fund and debt service fund, are included in the annual appropriated budget. Annual budgets for the enterprise funds are adopted for management and control purposes. Project-length financial plans are adopted for certain capital projects. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the

department level. The County also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are re-appropriated as part of the following year's budget.

Local Economy

The County's unemployment rate of 10.5% represents a slight decrease from last year and is slightly higher than the rate of 10.1% for the State of Georgia. This increase in unemployment rate is attributed to the housing market crisis being experienced nation wide as well as the economic downturn also experienced nationwide. However, Paulding County is not experiencing as significant an impact on the homeownership rate as the state. Paulding County continues to hold a high home-ownership rate of 80.9% and 7.2% of the families living below the poverty level, compared to State averages of 67.5% and 16.6%, respectively.

The County's rapid residential growth slowed substantially. Commercial construction, however, has experienced a less intensive slow down compared to housing. A positive outlook for future growth is the opening of the County's general aviation airport. The County's transition from a bedroom community into a more self-sustaining community will present significant challenges for the County, as the demand for services will change. To meet the needs of these changes the County is exploring new methods of obtaining financial resources and providing higher quality and more efficient services at less cost. The County is in its first year of a six-year special purpose local option sales tax (SPLOST) used to fund the construction and improvement of roads, construction of recreational facilities, and public safety capital improvements. Since 1988, the County's voters have supported six consecutive referendums for a special purpose local option sales tax (SPLOST) for the County, as well as, five consecutive similar referendums for the construction of schools.

Long-term financial planning

All amounts, unless otherwise indicated are expressed in thousands of dollars.

General Fund Balance. The fund balance of the general fund remained stable in 2011, as a result of conservative spending policies and budget control measures. The unassigned fund balance of $18,359 represents 129 working days of expenditures. This level of unassigned fund balance should significantly reduce the likelihood of the County entering the short-term debt market to pay current operating expenditures.

Proprietary Operations. The County's proprietary operations are comprised of three, separate and distinct activities: the Water and Sewer System, the Solid Waste Disposal System and the Department of Family and Children's Services (DFCS) facility. The Water and Sewer System operates with no subsidy from the County's General Fund. Revenue from the Solid Waste Disposal System generates approximately 80 % of its cost to operate. The State of Georgia leases the space for DFCS from the County, the

proceeds of which provide revenue sufficient to cover the costs of operations and debt service. Paulding County's Water and Sewer System recently upgraded its aging infrastructure and completed a sewer system treatment facility expansion to encourage commercial growth.

Under the provisions of GASB Statement Number 18, the County reports an accrual of $3,313 for landfill closure and post closure care costs as of June 30, 2011. The Landfill is incurring an annual accrual for the anticipated post closure care cost and monitoring the closure of the landfill.

Debt Administration. At June 30, 2011, the County had a number of debt issues outstanding. These issues included $79,385 of general obligation bonds, and $45,595 of revenue bonds. The County maintains an Aa3 rating from Moody's Investor Service and a AA rating from Standard and Poor's Rating Service on general obligation issues and for the revenue issues, an A2 from Moody's and AA-stable from Standard and Poor's. Under current Georgia statutes, the County's general debt issuances are subject to legal limitation based on 10 percent of total assessed value of real and personal property. As of June 30, 2011, the County's net general obligation bonded debt of $78,072 was well below the legal limit of $339,767. General obligation debt per capita equaled $548 (five hundred and forty-eight dollars).

For the Future. During the next four years, the County will complete a number of ambitious capital projects, along with designations of certain areas of the County as special zoning districts to enhance the quality of residential and commercial growth.

In the fall of 2008, the County opened a general aviation airport. The initial length of the runway is 5500 feet, expandable to 6500 feet. The County also enlisted the services of a consultant with expertise in airport-related economic development master plans. That plan was completed during 2007. The economic development efforts associated with the airport project will be funded through public-private partnerships, in addition to federal, state and local funds. Due to increasing demand and limited availability of hanger space in the Atlanta Metropolitan Area, the planned Paulding Northwest Atlanta Airport has generated considerable interest in the aviation community. The first phase of hangers is completed and 75% of them are leased with a new 35,000 square foot hanger expected to be completed in 2012. A fuel farm is now operational. This allows for aircraft to purchase fuel at the airport. The County's master plan for the area includes clustered, self-sustainable, high-tech living-working-recreation development with a green focus. The Industrial Building Authority partnered with the State of Georgia for construction of the Airport Terminal Building which opened in April 2010. A Fixed Base Operator (FBO) was selected, "Paulding Jet Center" and is currently operational. Aerodymnamics, Inc., a full-service flight and maintenance repair firm, recently announced a planned expansion of their current facilities to the Paulding Jet Center, planned for 2012.

Paulding County recently partnered with Cities of Dallas and Hiram, Chamber of Commerce as well as other public and private businesses to form the Economic Development Organization. The Paulding County EDO has been tasked with creating jobs and bringing industry to Paulding.

Paulding County Industrial Building Authority recently contracted with RoadTown Enterprises to construct and manage a film studio. Construction began in 2011 and is expected to be complete and operational in early 2012. The film studio is currently located within the local union's 30 mile zone that makes filming more affordable.

The County has acquired right-of-way for a major by-pass in the Hiram area. Funding has been released at the state level and construction began in 2011. The by-pass will relieve traffic congestion in the County's primary commercial district. The by-pass is expected to open in 2012.

To address the leisure and recreational needs of its family-focused community, the County has purchased approximately 160 acres in the Burnt Hickory area, near the 700-acre, proposed Richland Creek Reservoir site. Development began in early 2010 on the County's fourth multi-purpose park and became operational in 2011. The County has purchased 166 acres in the Union area. This will be the County's fifth multipurpose park and is currently in the design phase.

Relevant financial policies

Paulding County's financial policies were established with the primary goal to provide a sound basis for future financial planning and conservative management. These policies include (1) a balanced annual operating budget, (2) maintenance of adequate unassigned fund balance.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designated to provide reasonable, but not absolute, assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived: and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the department level by the encumbrance of estimated purchase amounts before the release of purchase orders to vendors. Open encumbrances are reported as assigned fund balances at year-end for governmental funds.

Major Initiatives

For the Year. In preparing the 2011 budget, the County's staff, under specific directives from the governing authority, identified several major programs necessary to meet the citizens' needs for services and to safeguard the environment. These programs reflect the County's commitment to continued improvement in the quality of life for its citizens.

Throughout the year, the County continued its improvement program for transportation, which consisted of system additions, improvements to collector roads, and major intersection improvements.

Paulding was the first County in Georgia to implement mandatory residential water reuse for outdoor watering. The County began constructing the expansion and conversion of the County's oldest Wastewater Treatment Facility, the Coppermine Plant, to a membrane bioreactor plant, enabling the plant to obtain a discharge permit and to provide reuse water for future development in the area. This project was completed in 2009. In 2011, the reuse project was expanded to homeowners within select subdivisions in the north-east section of the County.

Also during the coming years, and to be carried out concurrently with the airport project, the County will work closely with the Industrial Building Authority in an aggressive pursuit of economic development. Planned projects include the acquisition of land adjacent to the airport for the development of a business park, as well as other business park developments in close proximity to the County's existing sewer plants. The most notable business park is the 100 acre Industrial Park equipped with a Norfolk-Southern rail spur. This site is capable of housing facilities up to 500,000 square feet. It will be located off of Bill Carruth Parkway which is currently under construction for widening to four lanes, completion is anticipated in late 2011.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended June 30, 2010. This was the fifteenth, consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the progressive leadership of the Board of Commissioners, preparation of this report would not have been made possible.

Respectfully submitted,

Tabitha Pollard
Finance Director

Michael L. Jones, P.E.
County Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Paulding County Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

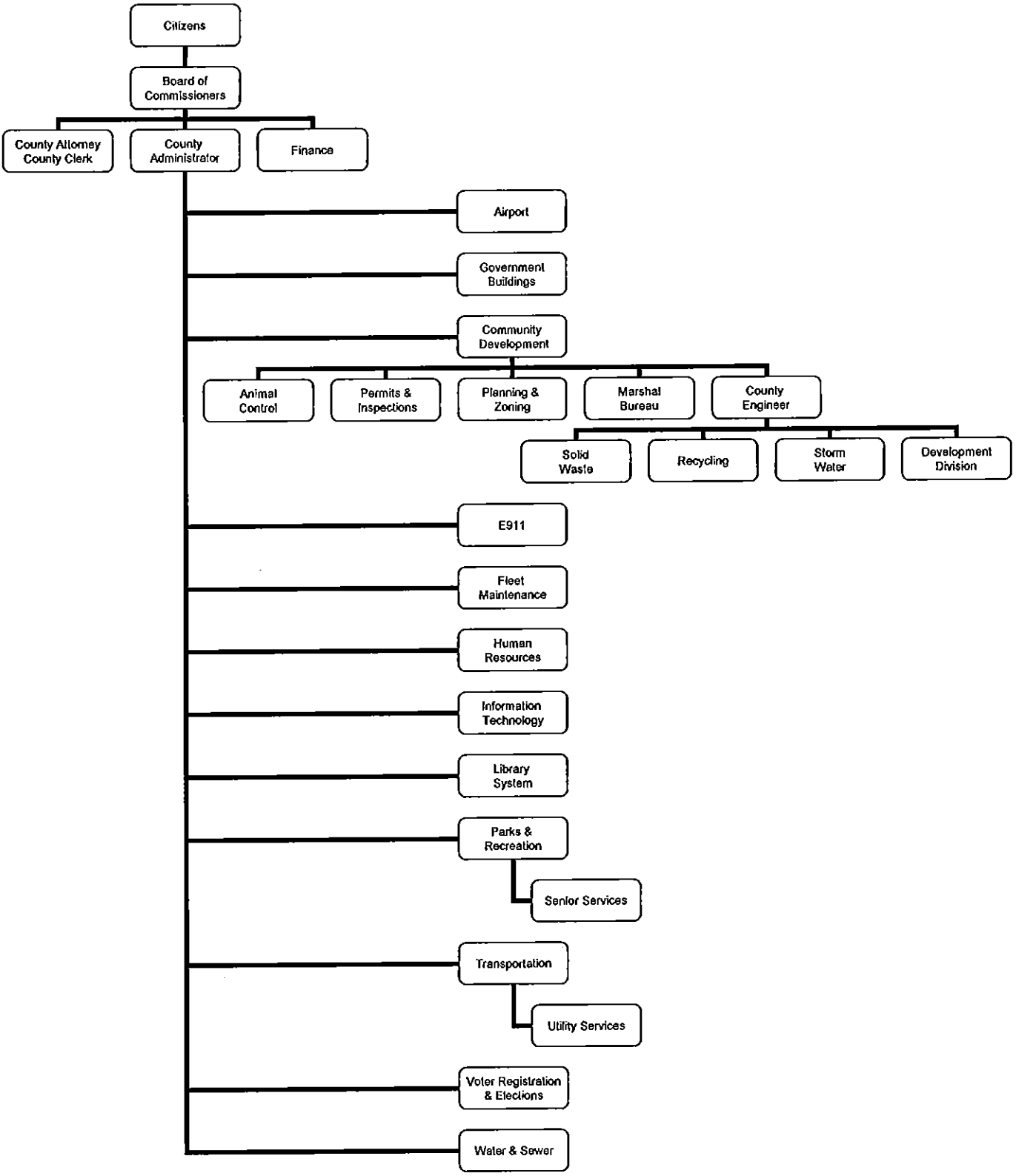
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Paulding County, Georgia
Organization Chart



PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2011

BOARD OF COMMISSIONERS

David Austin	Chairman
Larry Ragsdale	Post 1
Todd Pownall	Post 2
Tommie Graham	Post 3
David Barnett	Post 4

OTHER ELECTED OFFICIALS

Clerk of Superior Court	Treva Shelton
District Attorney	Dick Donovan
Probate Judge	Deborah Anderson
Sheriff	Gary Gulledge
Superior Court Judge	Tonny Beavers
Tax Commissioner	J. Bill Watson, III

II. Financial Section

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Paulding County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Paulding County, Georgia** (the "County"), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Paulding County Board of Health, the Paulding County Industrial Building Authority, and the Paulding County Airport Authority, which represents 100% of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Paulding County Board of Health, the Paulding County Industrial Building Authority, and the Paulding County Airport Authority, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Paulding County Industrial Building Authority and the Paulding County Airport Authority were not audited in accordance with *Government Auditing Standards.* An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Paulding County, Georgia, as of June 30, 2011 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A, Paulding County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2011, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 5 through 12), schedule of funding progress (on page 62), and budgetary comparison information (on pages 63 through 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, 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 relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 22, 2011

Management's Discussion and Analysis

As management of Paulding County Government, we offer readers of Paulding County's financial statements this narrative overview and analysis of the financial activities of Paulding County for the fiscal year ended June 30, 2011. 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 on pages *iv* through *ix* of this report.

All amounts, unless otherwise indicated, are expressed in thousands for dollars.

Financial Highlights

- The assets of Paulding County exceeded its liabilities at June 30, 2011, by $504,840 (net assets), an increase of $15,999 from the prior year. Of this amount, $29,997 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2011, Paulding County's governmental funds reported combined ending fund balances of $59,117, an increase of $2,822 from the prior year. Approximately $18,359 is available for spending at the government's discretion (unassigned fund balance).
- At the fiscal year end, unassigned fund balance for the General Fund was $18,359, or 35 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net decreased by $2,914 from the prior year and the total general obligation long-term debt at June 30, 2011 was $79,385, compared to a legal debt limit of $339,767.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Paulding County's basic financial statements. Paulding County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of Paulding County's financial position in a manner similar to private-sector business. These statements include the Statement of Net Assets and the Statement of Activities and can be found on pages 14 through 17 of this report.

The Statement of Net Assets presents information on all of Paulding County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how Paulding County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., for uncollected taxes and earned but unused employee leave). Because the Statement of Activities separates program, or function revenue (revenue generated by specific functions through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a specific function), it shows to what extent each function must rely on taxes for funding. All changes in net assets are reported using the accrual basis of accounting which is similar to the method used by most private-sector enterprises. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flows. Items such as uncollected taxes, unpaid vendor invoices for items received during

the fiscal year, and earned, but unused employee leave, are included in the Statement of Activities as revenues and expenses, even though the cash associated with these items was not received nor distributed during the fiscal year.

Paulding County has identified the Paulding County Industrial Building Authority (IBA), Paulding County Airport Authority and the Paulding County Board of Health as component units due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14 – 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. Paulding 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 Paulding County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for most or all of the County's tax-supported activities. Proprietary funds are used to account for the County's business-like activities, where all or a substantial portion of the costs of activities are supported by fees and charges paid directly by users of the services. Fiduciary funds are used to account for resources that are held by the County as a trustee or agent for parties outside of County government. The resources of the fiduciary funds cannot be used to support the County's own programs.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balance of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Paulding County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the SPLOST III fund, the SPLOST IV fund, the fire tax fund and the capital projects fund all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Paulding County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements for these funds have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Paulding County uses enterprise funds to account

for its Water and Sewer System, Solid Waste operations and the Department of Family and Children's Services building.

The enterprise fund financial statements provide separate information for the Water and Sewer System which is to be considered a major fund of Paulding County. The other two enterprise funds of the County are aggregated into a single presentation in the basic proprietary fund financial statements. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report, on pages 92 through 94.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Paulding County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 26.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 27 through 60.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Paulding County's progress in funding its obligation to provide pension benefits and budgetary comparison information. Required supplementary information can be found on pages 61 through 66 of this report.

Government-wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. As of June 30, 2011, Paulding County's combined (government and business-type activities) assets exceeded liabilities by $504,840. A significant portion of the County's net assets, 83 percent, is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less related outstanding debt that was used to acquire those assets. Because Paulding County uses these capital assets to provide services to its residents, these assets are not available for future spending. Although Paulding County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Paulding County's Net Assets
for the year ended June 30,

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 68,352	$ 68,728	$ 35,219	$ 37,944	$ 103,571	$ 106,672
Capital Assets	390,062	379,562	165,281	165,708	555,343	545,270
Total Assets	458,414	448,290	200,500	203,652	658,914	651,942
Long-term liabilities outstanding	85,403	87,978	58,211	61,668	143,614	149,646
Other liabilities	5,434	7,644	5,025	5,810	10,459	13,454
Total liabilities	90,837	95,622	63,236	67,478	154,073	163,100
Net assets:						
Invested in capital assets, net of related debt	309,392	297,040	110,693	111,121	420,085	408,161
Restricted	33,998	33,746	20,760	18,497	54,758	52,243
Unrestricted	24,187	21,882	5,811	6,556	29,998	28,438
Total net assets	$ 367,577	$ 352,668	$ 137,264	$ 136,174	$ 504,841	$ 488,842

An additional portion of the County' net assets for governmental activities, $33,998; and for business-type activities, $20,760, represent resources that are subject to external restrictions on how they may be used. The governmental restricted resources represent SPLOST funds for roads, recreatiou and public safety capital improvements, and certain judicial expenses or activities. The $13,474 for business-type activities is restricted to water and sewer system improvements and $7,286 is restricted for debt service. The remaining balances of unrestricted assets, $24,187 for governmental activities, and $5,811 for business-type activities may be used to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2011, Paulding County is able to report positive balances in all categories of net assets, both for the government as a whole, and for its separate governmental and business-type activities.

Paulding County's property taxes decreased $1,768 a 4 % decrease from the prior year. Sales and other taxes increased by $160 or about 1% from last year. Approximately 26% of the County's total revenue from governmental activities came from sales tax and 43 % from property tax. Charges for goods and services provided about 11 % of governmental revenue. Increase in capital grants and contribution is the result of state and federal participation in East Hiram Parkway. Grants from Federal Airport Administration were less in fiscal year 2011 than in 2010.

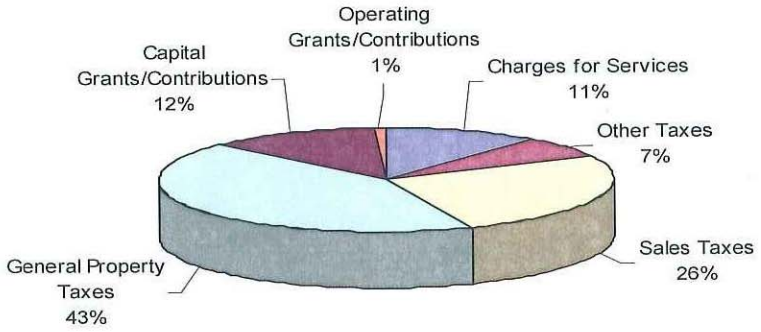
The County's largest expense is for Public Safety (Sheriff, Fire, Marshall, E-911, EMA and Aninal Control), at $30,213, or 38% of total governmental expenses.

Paulding County's Changes in Net Assets
For the year ended June 30

	Governmental Activities		Business-type Activities		Total	
Revenues:	2011	2010	2011	2010	2011	2010
Program Revenues:						
Charges for services	$ 10,434	$ 11,250	$ 24,662	$ 23,057	$ 35,096	$ 34,307
Operating grants and contributions	726	455	-	-	726	455
Capital grants and contributions	11,523	9,600	837	1,731	12,360	11,331
General Revenues:			-	-	-	
Property taxes	40,462	42,230	-	-	40,462	42,230
Other taxes	31,431	31,271	-	-	31,431	31,271
Other	99	193	82	113	181	306
Total Revenues	94,675	94,999	25,581	24,901	120,256	119,900
Expenses:						
General government	13,858	14,099	-	-	13,858	14,099
Judicial	5,110	5,152	-	-	5,110	5,152
Public safety	30,213	29,170	-	-	30,213	29,170
Public works	18,359	18,418	-	-	18,359	18,418
Culture and recreation	3,576	3,408	-	-	3,576	3,408
Health and welfare	1,902	1,914	-	-	1,902	1,914
Housing and development	3,373	2,835	-	-	3,373	2,835
Intergovernmental	-	4,056	-	-	-	4,056
Interest on long-term debt	3,175	3,685	-	-	3,175	3,685
Water and sewer	-	-	23,625	22,765	23,625	22,765
Other programs	-	-	1,066	1,068	1,066	1,068
Total Expenses	79,566	82,737	24,691	23,833	104,257	106,570
Increase in net assets before transfers	15,109	12,262	890	1,068	15,999	13,330
Transfers	(200)	2,455	200	(2,455)	-	-
Change in net assets	14,909	14,717	1,090	(1,387)	15,999	13,330
Net assets -beginning, before restatement	351,460	336,743	136,174	137,561	487,634	474,304
Restatement	1,208	-	-	-	1,208	-
Net assets-beginning, after restatement	352,668	336,743	136,174	137,561	488,842	474,304
Net assets ending	$ 367,577	$ 351,460	$ 137,264	$ 136,174	$ 504,841	$ 487,634

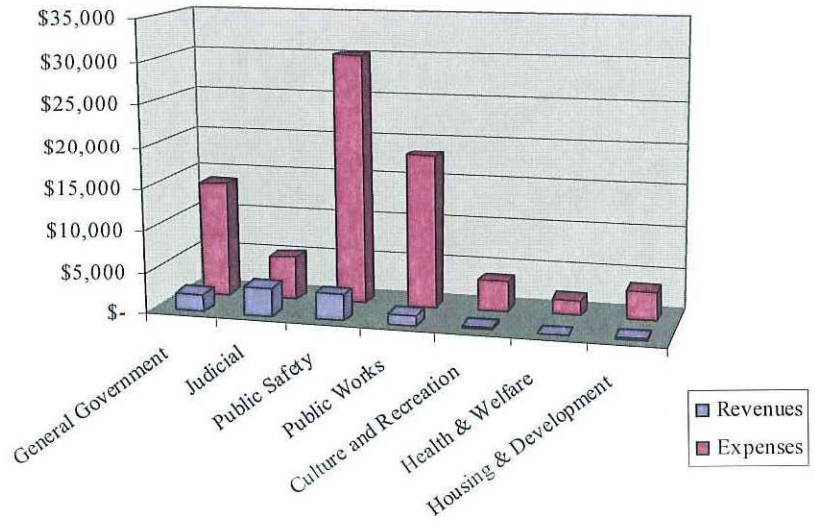
The $14,909 increase in net assets for governmental activities was attributable to revenues exceeding expenses, as well as reimbursement of 2009 flood expenses and the federally funded construction of East Hiram Parkway. The restatement of $1,208 is a grant reimbursement for the right of way located on East Hiram Parkway. The grant purchases were made in 2010 as well as 2011, but reimbursement was received in 2011. The $1,090 increase in net assets for business-type activities was the result of revenues exceeding expenses. The Landfill's long term liabilities of $3,313 allow for closure and post-closure care costs.

Revenues by Source for Governmental Activities



Revenues & Expenses for Governmental Activities

(in thousands)



Financial Analysis of the Government's Funds

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

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

Paulding County ended the 2011 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is $59,117. Of that amount, fund balances in the County's five major funds are $22,728 in the General Fund, $6,028 in the Fire Fund, $20,868 in SPLOST III Fund, $2,993 in SPLOST IV fund and $2,224 in Capital Projects Fund. Approximately 31 percent of total governmental fund balances, $18,359 in the General is unassigned and available for spending in the coming year. The assigned fund balance is not available for new spending rather it is assigned to (1) 2011 outstanding encumbrances $1,675, future landfill closure cost $1,425, and $547, was obligated to the 2012 adopted budget. The committed fund balance is in the Sheriff Commissary fund and the Sheriff committed the funds to be used for the inmates. The remainder of fund balance is restricted or non-spendable in nature ($370) to indicate that it is not available for new spending because it is restricted 1) to pay debt service ($1,314); 2) fire department expenditures (6,028);and 3) for other restricted purposes ($4,638). The $23,861 fund balance in SPLOST III and IVwill be spent to construct a major County park facility, a fire station and other public safety facilities, as well as road improvements.

The General Fund is the primary operating fund of Paulding County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $18,359, while total fund balance was $22,728. As a measure of the County's liquidity, it may be useful to compare both the unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 35% of total General Fund expenditures, while total fund balance represents 44 % of that same amount.

The fund balance of the General Fund increased by $3,333. While operational revenues declined as well as tax revenue, expenditures were also reduced to offset the decline in revenue. Changes in revenue for all governmental funds from the prior year are as follows:

- Total revenue increased by $3,182 from the prior year.
- Property tax revenue decreased by $1,767 as a result of the decline in residential property values, while the local option sales tax increased by $75.
- Charges for services decreased $816, as a result of a decline in residential development as well as a decline in judicial fees.
- The reduction of assessed values has resulted in a decrease to tax commissions revenue of $96.

The fund balance of the Fire Tax Fund decreased by $275. The fire tax is primarily funded with property tax, and therefore the reduction in property values has resulted in a reduction in revenues.

SPLOST III, SPLOST IV and Capital Projects funds are all used to account for Capital Projects. The fund balance of the SPLOST III fund also decreased by $3,497. However, SPLOST III expired in 2011 and SPLOST IV began in April 2011. SPLOST IV currently has a fund balance of $2,993. The Capital Projects fund accounts for projects funded by sources other than SPLOST revenues. The fund balance of the Capital Projects Fund also decreased by $209.

Proprietary Funds

Paulding County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Two of the County's Enterprise Funds, the Water and Sewer System and Solid Waste Disposal, provide services to the general public and require periodic evaluation and determination of revenues. The County also maintains an Enterprise Fund for a rental facility which is currently leased to the State of Georgia, Department of Family and Children's Services and Child Support Enforcement.

The largest, and only major Enterprise Fund is the Water and Sewer Fund. Total operating revenue from the Water and Sewer System for 2011 was $23,487 representing an 8 % increase from 2010. The County, along with other metro counties subsequently implemented a rate increase to offset the 5% increase in expenses. The cost of the County's water purchased increased 10% from 2010. This increase was due to an increase passed on to the County by the County's supplier Cobb County Marietta Water Authority.

General Fund Budgetary Highlights

The legal level of control (the level at which expenditures cannot legally exceed appropriations) is at the department level. The County's primary budgeted fund is the General Fund. The Board of Commissioners is required to adopt the County's budget at their first regular meeting each August. The General Fund Budget was amended during the year for an increase in appropriations of $4,198. The most notable expenditure amendments are as follows:

- Public Works increased by $3,225 due to additional maintenance and asphalt contracts issued. The cost of this expense was partly covered by the State of Georgia $360 and developers $249.
- Public Safety appropriations were reduced by $347 due to conservative spending.
- Health and Welfare increased by $288, Culture and Recreation increased by $67, Housing & Development increased by $116 and Judicial increased by $30.
- General Government appropriations were increased by $818 due to increase in employee benefit cost as well as additional Reservoir cost.

Indicative of increased foreclosure rates and other reduction in property values, property tax revenue decreased 4%, other taxes decreased 2%. At June 30, 2011, General Fund revenues exceeded estimates by $ 1,921, and expenditures were $3,575 less than budget. The General Funds balance increased by $3,333.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2011. Expenses were evaluated and reduced throughout the year in anticipation of another decline for fiscal year 2012. Actual expense was less than budget in all functions except health and welfare. Actual exceeded budget in health and welfare by ($24). This overage is a result of the additional cost incurred with Paulding Hospital Authority.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to $420,085 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, machinery and equipment, and construction in progress.

The total increase in Paulding County's investment in capital assets for the current fiscal year was 3 percent. Additional information on Paulding County's capital assets can be found in note E on pages 40 through 43 of this report.

Long-term debt: At June 30, 2011, Paulding County had a total of $124,980 in outstanding bonded debt. That amount represents $79,385 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and $45,595 in Water and Sewer Revenue Bonds. The County also had one installment purchase agreement with an outstanding balance of $1,093, and two Georgia Environmental Finance Authority loans totaling $729.

Paulding County maintains an "Aa3" rating from Moody's and an "AA" rating from Standard and Poor's on its General Obligation debt and an "AA" rating from Moody's and an "AA-stable" rating from Standard and Poor's on its Revenue debt.

Additional information on the County's long-term debt can be found in note G. on pages 44 through 52.

Economic Factors and Next year's Budgets and Rates

- The unemployment rate for Paulding County was down from last year, at 10.5%. This rate compared to the state's rate of 10.1%.
- For the tax year 2010, the County's total tax digest decreased by $703,645 or 17%. Paulding County has reduced cost to balance this reduction in revenue with a reduction in expenses.
- Paulding County's general purpose Local Option Sales Tax enabled the County to rollback its property tax rate by 3.6 mills for the 2010 tax year.

Requests for Information

This financial report is designed to provide a general overview of Paulding 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 should be addressed to Paulding County Finance Department, 240 Constitution Boulevard, Dallas, Georgia 30132.

Basic Financial Statements

Paulding County, Georgia
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
ASSETS						
Cash and cash equivalents	$ 54,619,597	$ 8,366,100	$ 62,985,697	$ 742,714	$ 39,588	$ 8,404
Restricted cash	-	22,316,012	22,316,012	-	9,762,230	-
Due from other governments	5,807,327	-	5,807,327	141,301	10,302,928	-
Taxes receivable	3,745,668	-	3,745,668	-	-	-
Internal balances	62,551	(62,551)	-	-	-	-
Other receivables	536,487	3,558,776	4,095,263	480	9,680	-
Due from component units	1,865,618	-	1,865,618	-	-	-
Due from primary government	-	-	-	-	6,176,830	-
Inventories and prepaids	369,532	184,514	554,046	3,237	-	-
Net Pension Asset	414,114	-	414,114	-	-	-
Capital Assets not being depreciated:						
Land	50,947,602	2,027,030	52,974,632	-	1,981,074	3,863,253
Construction In Progress	18,565,425	61,098	18,626,523	-	503,705	155,676
Capital assets, net of accumulated depreciation						
Buildings	124,467,425	3,719,253	128,186,678	-	539,599	276,220
Furniture, Equipment and Vehicles	9,697,479	670,186	10,367,665	-	743	1,283
Infrastructure	186,384,198	158,803,768	345,187,966	-	330,362	47,046
Other noncurrent assets	-	-	-	-	5,000	-
Unamortized bond issuance cost	930,515	855,709	1,786,224	-	346,147	-
Total assets	458,413,538	200,499,895	658,913,433	887,732	29,997,886	4,351,882
LIABILITIES						
Accounts payable	1,644,916	1,317,405	2,962,321	879	91,995	556
Accrued liabilities	1,347,391	-	1,347,391	-	-	-
Due to primary government	-	-	-	-	1,865,618	-
Due to component unit	466,830	-	466,830	-	-	-
Due to other governments	-	-	-	35,062		-
Unearned revenue	464,143	1,021,667	1,485,810	-	-	-
Accrued interest payable	1,510,704	201,059	1,711,763	-	51,327	-
Construction contracts payable	-	22,375	22,375	-	-	-
Customer deposits	-	2,463,287	2,463,287	-	-	-
Noncurrent Liabilities						
Due to Industrial Building Authority						
Due within one year	-	350,000	350,000	-	-	-
Due in more than one year	-	5,360,000	5,360,000	-	-	3,857,928
Due within one year	4,879,239	3,788,772	8,668,011	-	480,000	-
Due in more than one year	80,523,439	48,711,834	129,235,273	52,637	21,842,865	-
Total liabilities	90,836,662	63,236,399	154,073,061	88,578	24,331,805	3,858,484

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2011

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
NET ASSETS						
Invested in capital assets, net of related debt	309,392,084	110,692,658	420,084,742	-	1,974,973	18,720
Restricted for:						
Capital projects	23,861,570	13,474,659	37,336,229	-	-	-
Judicial	737,580	-	737,580	-	-	-
Public Safety	8,085,459	-	8,085,459	-	-	-
Debt service	1,313,563	7,285,566	8,599,129	-	9,762,230	-
Unrestricted	24,186,620	5,810,613	29,997,233	799,154	(6,071,122)	474,678
TOTAL NET ASSETS	367,576,876	$ 137,263,496	$ 504,840,372	$ 799,154	$ 5,666,081	$ 493,398

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary government: Governmental Activities	Primary government: Business-type Activities	Primary government: Total	Component Units: Board of Health	Component Units: Industrial Building Authority	Component Units: Airport Authority
Primary Government										
Governmental activities:										
General government	$ 13,857,914	$ 2,132,286	$ 47,134	$ -	$ (11,678,494)	$ -	$ (11,678,494)	$ -	$ -	$ -
Judicial	5,110,368	3,403,827	214,955	-	(1,491,586)	-	(1,491,586)	-	-	-
Public safety	30,212,938	3,074,576	235,741	103,283	(26,799,338)	-	(26,799,338)	-	-	-
Public works	18,359,434	1,181,796	151,499	9,792,095	(7,234,044)	-	(7,234,044)	-	-	-
Culture and recreation	3,575,759	362,328	-	80,209	(3,133,222)	-	(3,133,222)	-	-	-
Health and welfare	1,902,239	10,095	77,204	-	(1,814,940)	-	(1,814,940)	-	-	-
Housing and development	3,373,239	269,317	-	1,546,950	(1,556,972)	-	(1,556,972)	-	-	-
Interest on long term debt	3,174,633	-	-	-	(3,174,633)	-	(3,174,633)	-	-	-
Intergovernmental	-	-	-	-	-	-	-			
Total governmental activities	79,566,524	10,434,225	726,533	11,522,537	(56,883,229)	-	(56,883,229)	-	-	-
Business-type:										
Water and sewer	23,625,349	23,586,071	-	836,962	-	797,684	797,684	-	-	-
DFACS facility lease	145,342	353,315	-	-	-	187,973	187,973	-	-	-
Landfill	920,355	742,281	-	-	-	(178,074)	(178,074)	-	-	-
Total Business-type activities	24,691,046	24,661,667	-	836,962	-	807,583	807,583	-	-	-
Total primary government	$ 104,257,570	$ 35,095,892	$ 726,533	$ 12,359,499	(56,883,229)	807,583	(56,075,646)	-	-	-
Component Units										
Board of Health	$ 1,384,044	$ 548,468	$ 828,289	$ -				$ (7,287)	$ -	$ -
Industrial Building Authority	530,872	327,750	-	-				-	(203,122)	-
Airport Authority	77,579	547,624	-	-				-	-	470,045
Total component units	$ 1,914,916	$ 1,423,842	$ 828,289	$ -				$ (7,287)	$ (203,122)	$ 470,045

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES - CONTINUED
For the year ended June 30, 2011

	Net (Expense) Revenue and Changes in Net Assets			Component Units		
	Primary government					
	Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
General revenues						
Taxes						
Property taxes, levied for general purposes	$ 27,199,533	$ -	$ 27,199,533	$ -	$ -	$ -
Property taxes, levied for debt service	6,340,442	-	6,340,442	-	-	-
Property taxes, levied for fire service	6,922,416	-	6,922,416	-	-	-
Intangible recording tax	618,349	-	618,349	-	-	-
Local option sales tax	11,700,037	-	11,700,037	-	-	-
Special purpose local option sales taxes	13,422,530	-	13,422,530	-	-	-
Insurance premium tax	3,585,518	-	3,585,518	-	-	-
Alcoholic beverage tax	669,278	-	669,278	-	-	-
Cable TV franchise tax	1,047,225	-	1,047,225	-	-	-
Real estate transfer tax	95,218	-	95,218	-	-	-
Business tax	292,780	-	292,780	-	-	-
Interest earned on investments	96,630	81,978	178,608	2,738	8,122	-
Miscellaneous	2,408	-	2,408	15,055	-	-
Transfers	(200,000)	200,000	-	-	-	-
Total general revenues and transfers	71,792,364	281,978	72,074,342	17,793	8,122	-
Change in net assets	14,909,136	1,089,561	15,998,697	10,506	(195,000)	470,045
Net assets - beginning, before restatement	351,459,469	136,173,935	487,633,404	788,648	5,861,081	23,353
Restatement	1,208,271	-	1,208,271	-	-	-
Net assets - beginning, after restatement	352,667,740	136,173,935	488,841,675	788,648	5,861,081	23,353
Net assets - ending	$ 367,576,876	$ 137,263,496	$ 504,840,372	$ 799,154	$ 5,666,081	$ 493,398

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Fire Tax	SPLOST III	SPLOST IV	Capital Projects		
Assets							
Cash and cash equivalents	$ 24,253,737	$ 5,954,931	$ 16,921,536	$ 1,981,697	$ 1,490,633	$ 4,017,063	54,619,597
Receivables, net							
Taxes	1,833,281	430,128	-	1,163,285	-	318,974	3,745,668
Intergovernmental	1,106,389	-	4,255,000	-	445,938	-	5,807,327
Other	236,923	-	-	-	-	299,564	536,487
Prepaid items	369,532	-	-	-	-	-	369,532
Due from other funds	183,985	34,910	192,810	-	852,814	-	1,264,519
Total assets	$ 27,983,847	$ 6,419,969	$ 21,369,346	$ 3,144,982	$ 2,789,385	$ 4,635,601	66,343,130
Liabilities							
Accounts payable	$ 850,460	$ 16,767	$ 500,868	$ 149,366	$ 98,853	$ 28,602	1,644,916
Accrued liabilities	1,347,391	-	-	-	-	-	1,347,391
Due to other funds	1,146,222	-	-	2,524	-	53,222	1,201,968
Due to component unit	-	-	-	-	466,830	-	466,830
Deferred revenue	1,912,041	375,594	-	-	-	277,811	2,565,446
Total liabilities	5,256,114	392,361	500,868	151,890	565,683	359,635	7,226,551
Fund Balances							
Non-Spendable fund balance	369,532	-	-	-	-	-	369,532
Restricted fund balance	351,717	6,027,608	20,868,478	2,993,092	1,490,633	4,108,994	35,840,522
Committed fund balance	-	-	-	-	-	166,972	166,972
Assigned fund balance	3,647,117	-	-	-	733,069	-	4,380,186
Unassigned fund balance	18,359,367	-	-	-	-	-	18,359,367
Total fund balances	22,727,733	6,027,608	20,868,478	2,993,092	2,223,702	4,275,966	59,116,579
Total liabilities and fund balances	$ 27,983,847	$ 6,419,969	$ 21,369,346	$ 3,144,982	$ 2,789,385	$ 4,635,601	66,343,130

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2011

Total fund balances - governmental funds		$ 59,116,579
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets	$ 487,992,885	
Less Accumulated Depreciation	(97,930,756)	390,062,129
Pension asset reported in the statement of net assets is not available for spending and therefore does not qualify as a current financial resource.		414,114
Property taxes receivable levied for the current and prior years and not collected within sixty days of year-end are not available soon enough to pay for the current period's expenditures, and, therefore, are reported as deferred revenue in the funds.		2,101,303
Interest payable on long-term debt does not require current financial resources and therefore is not reported as a liability in the funds.		(1,510,704)
Debt payments are currently being paid on behalf of a component unit. These payments will be repaid in a future period.		1,865,618
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabililities at year end consist of:		
Bonds payable	(82,160,679)	
Bond isssuance costs, net of amortization	930,515	
Compensated absences payable	(3,241,999)	(84,472,163)
Total net assets - governmental activities		$ 367,576,876

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2011

	Major Governmental Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Fire Tax	SPLOST III	SPLOST IV	Capital Projects		
Revenues							
Taxes	$ 45,036,966	$ 7,020,324	$ 9,985,666	$ 3,436,864	$ -	$ 6,423,127	$ 71,902,947
Licenses and permits	396,477	-	-	-	-	-	396,477
Intergovernmental	2,592,767	76,371	4,522,400	-	5,671,577	-	12,863,115
Charges for services	5,167,506	-	-	-	-	2,554,299	7,721,805
Fines and forfeitures	1,497,847	-	-	-	-	418,554	1,916,401
Investment income	53,539	21,298	85,495	-	4,571	17,222	182,125
Contributions and donations	289,455	8,200	298,980	-	-	-	596,635
Miscellaneous	312,028	2,019	-	-	-	-	314,047
Total Revenues	55,346,585	7,128,212	14,892,541	3,436,864	5,676,148	9,413,202	95,893,552
Expenditures							
Current							
General government	11,256,783	-	-	-	-	-	11,256,783
Judicial	4,674,766	-	-	-	-	333,995	5,008,761
Public safety	18,370,660	7,298,510	-	-	-	2,513,600	28,182,770
Public works	10,695,703	-	-	-	-	-	10,695,703
Health and welfare	1,856,781	-	-	-	-	-	1,856,781
Culture and recreation	2,859,945	-	6,362	-	-	-	2,866,307
Housing and development	2,133,986	-	-	-	466,830	-	2,600,816
Debt Service							
Principal retirement	-	-	-	-	-	2,395,000	2,395,000
Interest and fees	-	-	-	-	-	3,693,609	3,693,609
Capital outlay	-	104,847	17,384,746	2,524	5,418,016	-	22,910,133
Intergovernmental	-	-	998,566	441,248	-	-	1,439,814
Total expenditures	51,848,624	7,403,357	18,389,674	443,772	5,884,846	8,936,204	92,906,477
Excess (deficiency) of revenues over (under) expenditures	3,497,961	(275,145)	(3,497,133)	2,993,092	(208,698)	476,998	2,987,075
Other financing sources (uses)							
Sale of capital assets	35,163	-	-	-	-	-	35,163
Transfers out	(200,000)	-	-	-	-	-	(200,000)
Total other financing sources (uses)	(164,837)	-	-	-	-	-	(164,837)
Net change in Fund Balances	3,333,124	(275,145)	(3,497,133)	2,993,092	(208,698)	476,998	2,822,238
Fund balances, beginning of year	19,893,122	6,415,076	24,365,611	-	2,432,400	3,888,103	56,994,312
Restatement	(498,513)	(112,323)	-	-	-	(89,135)	(699,971)
Fund balances, after restatement	19,394,609	6,302,753	24,365,611	-	2,432,400	3,798,968	56,294,341
Fund balances, end of year	$ 22,727,733	$ 6,027,608	$ 20,868,478	$ 2,993,092	$ 2,223,702	$ 4,275,966	$ 59,116,579

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2011

Total net change in fund balances - governmental funds		$	2,822,238
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.			
Depreciation expense	(11,623,786)		
Capital outlays	22,270,133		10,646,347
The net effect of miscellaneous transactions involving capital assets is to decrease net assets.			(146,280)
Pension asset reported in the statement of activities does not require the use of current financial resources and therefore is not reported as a revenue in governmental funds.			(23,922)
Amortization of bond issuance cost and bond premium reported in the statement of activities does not require the use of current financial resources and, therefore is not reported as expenditures in governmental funds.			482,085
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(1,208,271)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			2,395,000
Property taxes levied for the current and prior years not collected within sixty days after the County's fiscal year ends, are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues related to prior years decreased by this amount this year.			
Deferred @ 06/30/11	2,101,303		
Deferred @ 06/30/10	(2,110,924)		(9,621)
In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid). Vacation and sick earned exceeded amounts paid by this amount.			
Liability @ 06/30/11	(3,241,999)		
Liability @ 06/30/10	2,903,115		(338,884)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			
Liability @ 06/30/11	(1,510,704)		
Liability @ 06/30/10	1,547,595		36,891
Debt payments are currently being made on behalf of a component unit. The funds paid out for series A will be repaid to the County in future periods. These debt payments are expensed on the governmental fund statements, but a recievable is recorded on the government wide statements.			253,553
Change in net assets of governmental activities		$	14,909,136

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

	Business-type Activities-Enterprise Funds			Governmental Activities
	Major Fund			
	Water and Sewer Fund	Non-Major Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current Assets				
Cash	$ 8,144,966	$ 221,134	$ 8,366,100	$ -
Restricted cash	22,316,012	-	22,316,012	-
Accounts receivable, net	3,505,211	53,565	3,558,776	-
Due from other funds	65,688	-	65,688	-
Inventory	184,514	-	184,514	-
Total current assets	34,216,391	274,699	34,491,090	-
Noncurrent assets:				
Capital assets				
Land	1,414,797	612,233	2,027,030	-
Plant and equipment	205,510,346	5,150,467	210,660,813	-
Construction in progress	61,098	-	61,098	-
Less: accumulated depreciation	(45,101,368)	(2,366,238)	(47,467,606)	-
Net capital assets	161,884,873	3,396,462	165,281,335	-
Bond issuance and loan costs	855,709	-	855,709	-
Total noncurrent assets	162,740,582	3,396,462	166,137,044	-
Total assets	196,956,973	3,671,161	200,628,134	-
LIABILITIES				
Current Liabilities				
Accounts payable	1,288,012	29,393	1,317,405	-
Compensated absences	191,891	11,403	203,294	-
Unearned revenue	1,021,667	-	1,021,667	-
Due to general fund	-	128,239	128,239	-
Due to component unit	350,000	-	350,000	-
Current portion of loans payable	89,102	163,196	252,298	-
Current maturities of long-term debt, payable from restricted assets	3,000,000	-	3,000,000	-
Construction contracts payable	22,375	-	22,375	-
Current portion of post closure care cost	-	333,180	333,180	-
Accrued interest payable	197,127	3,932	201,059	-
Customers' deposits, payable from restricted assets	2,463,287	-	2,463,287	-
Total current liabilities	8,623,461	669,343	9,292,804	-
Long-Term Liabilities, net of current portion				
Due to component unit	5,360,000	-	5,360,000	-
Revenue bonds payable	44,072,085	-	44,072,085	-
Loans payable	639,669	929,656	1,569,325	-
Compensated absences	90,302	-	90,302	-
Post closure care costs	-	2,980,122	2,980,122	-
Total long-term liabilities	50,162,056	3,909,778	54,071,834	-
Total liabilities	58,785,517	4,579,121	63,364,638	-
NET ASSETS (Deficit)				
Invested in capital assets, net of related debt	108,389,048	2,303,610	110,692,658	-
Restricted for:				
Debt Service	7,285,566	-	7,285,566	-
Capital Projects	13,474,659	-	13,474,659	-
Benefits and Claims	-	-	-	-
Unrestricted (deficit)	9,022,183	(3,211,570)	5,810,613	-
TOTAL NET ASSETS (Deficit)	$ 138,171,456	$ (907,960)	$ 137,263,496	$ -

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the year ended June 30, 2011

	Business-type Activities Enterprise Funds			Govenmental Activities
	Major Fund			
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Fund
Operating revenues:				
Charges for services	$ 22,225,730	$ -	$ 22,225,730	$ -
Penalties	688,713	-	688,713	-
Miscellaneous revenues	572,197	7,325	579,522	-
Landfill and recycling fees	-	734,956	734,956	-
Lease income	-	333,315	333,315	-
Total operating revenues	23,486,640	1,075,596	24,562,236	-
Operating expenses:				
Salaries and wages	2,144,277	116,934	2,261,211	-
Fringe benefits	845,863	35,038	880,901	-
Operating expenses	4,264,390	715,431	4,979,821	-
Benefits and claims	-	-	-	-
Cost of water purchased	8,881,161	-	8,881,161	-
Depreciation	5,296,060	141,556	5,437,616	-
Total operating expenses	21,431,751	1,008,959	22,440,710	-
Operating income (loss)	2,054,889	66,637	2,121,526	-
Nonoperating revenues (expenses):				
Intergovernmental	117,267	-	117,267	-
Line maintenance fees	84,900	-	84,900	-
Interest income	81,911	67	81,978	-
Rent	14,531	-	14,531	-
Interest expense	(2,193,598)	(56,738)	(2,250,336)	-
Total nonoperating revenue (expenses)	(1,894,989)	(56,671)	(1,951,660)	-
Income before contributions and transfers	159,900	9,966	169,866	-
Capital contributions	719,695	-	719,695	-
Transfers In	-	200,000	200,000	-
Change in net assets	879,595	209,966	1,089,561	-
Total net assets (deficit)-beginning	137,291,861	(1,117,926)	136,173,935	-
Total net assets (deficit)-ending	$ 138,171,456	$ (907,960)	$ 137,263,496	$ -

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2011

	Business type Activities			Governmental Activities
	Major Fund			
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	$ 23,356,461	$ 1,037,588	$ 24,394,049	$ -
Cash payments for goods and services	(14,755,145)	(762,026)	(15,517,171)	-
Cash payments for employee services and fringe benefits	(2,930,566)	(154,360)	(3,084,926)	-
Cash payments for benefits and claims	-	-	-	(24,382)
Net cash provided by (used in) operating activities	5,670,750	121,202	5,791,952	(24,382)
Cash flows from non-capital financing activities:				
Rental income	14,531	-	14,531	-
Transfers in	-	200,000	200,000	-
Net cash provided by noncapital financing activities	14,531	200,000	214,531	-
Cash flows from capital and related financing activities:				
Principal paid on loans	(86,859)	(155,588)	(242,447)	-
Acquisition and construction of capital assets	(4,776,511)	-	(4,776,511)	-
Intergovernmental Revenues	117,267	-	117,267	-
Principal paid on revenue bonds	(3,195,000)	-	(3,195,000)	-
Interest paid	(2,251,023)	(57,298)	(2,308,321)	-
Line maintenance fee	84,900	-	84,900	-
Contributed Capital	485,640	-	485,640	-
Net cash used in capital and related financing activities	(9,621,586)	(212,886)	(9,834,472)	-
Cash flows from investing activities:				
Sale of investments	6,168,660	-	6,168,660	-
Interest received on investments	81,911	67	81,978	-
Net cash provided by investing activities	6,250,571	67	6,250,638	-
Net increase (decrease) in cash and cash equivalents	2,314,266	108,383	2,422,649	(24,382)
Cash and cash equivalents, July 1	$ 28,146,712	$ 112,751	$ 28,259,463	$ 24,382
Cash and cash equivalents, June 30	$ 30,460,978	$ 221,134	$ 30,682,112	$ -
Reconciliation to Statement of Net Assets				
Cash	$ 8,144,966	$ 221,134	$ 8,366,100	$ -
Restricted cash	22,316,012	-	22,316,012	-
	$ 30,460,978	$ 221,134	$ 30,682,112	$ -

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS

For the year ended June 30, 2011

	Business type Activities			Governmental Activities
	Major Fund			
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	$ 2,054,889	$ 66,637	$ 2,121,526	$ -
Adjustments to reconcile operating income to net cash provided by (used in) operating activities				
Depreciation expense	5,296,060	141,556	5,437,616	-
(Increase) decrease in accounts receivable	110,155	(38,008)	72,147	-
(Increase) in due from other funds	(1,110,403)	-	(1,110,403)	-
Decrease in inventories	52,506	-	52,506	-
Decrease in customer deposits	(13,280)	-	(13,280)	-
Decrease in accounts payable and construction cost	(551,697)	(17,068)	(568,765)	(24,382)
Increase (decrease) in compensated absences payable	59,574	(2,388)	57,186	-
Decrease in due to other funds	-	(126,990)	(126,990)	-
Decrease in deferred revenue	(227,054)	-	(227,054)	-
Increase in post closure care costs	-	97,463	97,463	
Total adjustments	3,615,861	54,565	3,670,426	(24,382)
Net cash provided by (used in) operating activities	$ 5,670,750	$ 121,202	$ 5,791,952	$ (24,382)
Noncash investing, capital and financing activities:				
Contribution of capital assets from developers	$ 234,055	$ -	$ 234,055	$ -

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS

June 30, 2011

	Agency Funds
Assets	
Cash and cash equivalents	$ 1,853,685
Taxes receivable (net)	3,638,304
	$ 5,491,989
Liabilities	
Due to others	$ 5,491,989

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Paulding County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") 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 of the County's accounting policies are described below.

1. Reporting Entity

The County is a political subdivision of the State of Georgia and is governed by an elected County chairman and four elected commissioners. As required by generally accepted accounting principles, these financial statements include the principal financial activities of the County. In accordance with GASB requirements, the County considered potential component units for inclusion in its financial reporting entity. The Paulding County Health Department Public Health Program, Paulding County Industrial Building Authority, and Paulding County Airport Authority are included in the reporting entity because the Paulding County Board of Commissioners directly appoints a majority of component unit board members and a financial benefit/burden exists.

Discretely Presented Component Units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the Government.

Paulding County Health Department Public Health Program serves the citizens of Paulding County and is governed by a board of appointed officials. Paulding County Board of Commissioners appoints the officials to this board. Paulding County also makes monthly contributions to the health department to assist in operations. Paulding County Health Department operates on a July I through June 30 fiscal year. A copy of the Paulding County Health Department Public Health Program's financial statements may be obtained by contacting the following address: Georgia Department of Human Resources District 1 Unit 1, 1305 Redmond Road, Building 614, Rome, GA 30165-1391.

Paulding County Industrial Building Authority serves the citizens of Paulding County and is governed by a board of appointed officials. Paulding County Board of Commissioners appoints the officials to this board. Paulding County also makes monthly contributions to the Industrial Building Authority to assist in operations. Paulding County Industrial Building Authority issued bonds to provide capital for the construction of the Industrial Building Park and a Sewer plant to accommodate the park. Paulding County Industrial Building Authority operates on a July 1 through June 30 fiscal year. A copy of the Paulding County Industrial Building Authority's financial statements may be obtained by contacting the following address: Paulding County Chamber of Commerce, 730 Airport Parkway, Dallas, Georgia 30157.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

1. Reporting Entity - Continued

Paulding County Airport Authority serves the citizens of Paulding County and is governed by a board of appointed officials. Paulding County Board of Commissioners appoints the officials to this board. Paulding County acts as the fiscal agent for the authority and provides personnel to oversee the construction and development of the airport. Paulding County Airport Authority operates on a July 1 through June 30 fiscal year. A copy of the Paulding County Airport Authority's financial statements may be obtained by contacting the following address: Paulding County Airport Authority, 730 Airport Parkway, Dallas, GA 30157.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of the inter-fund activity has been removed from these statements. 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.

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 customers or applicants who purchase, use, or directly benefits from goods, services, or priviledges 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

3. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 when all requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation- Continued

Governmental funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues except intergovernmental revenues available if they are collected within sixty days after yearend. Intergovernmental revenue is considered available if it is collected within nine months after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, alcoholic beverage taxes, licenses, interest and charges for services are susceptible to accrual and have been recognized as revenue in the current period. Sales taxes collected by merchants at year end on behalf of the County are also recognized as revenue.

Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major 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 tax fund* accounts for the operations of the fire department as well as capital purchases. A tax levy is placed on all property within Paulding County. The tax levy is dedicated to the operational and capital expenses of the fire department.

The *SPLOST III capital projects fund* accounts for resources which are used exclusively for roads, public safety, and recreation.

The *SPLOST IV capital projects fund* accounts for resources which are used exclusively for roads, public safety, and recreation, economic development. The SPLOST IV fund replaces SPLOST III as the term for SPLOST III expired in April 2011 and SPLOST IV began in 2011.

The *capital projects fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds or SPLOST.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation – Continued

The County reports the following non-major fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects.)

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As provided by GASB, the County only applies applicable FASB pronouncements issued through November 30, 1989 in accounting and reporting for its enterprise fund operations if they do not conflict with GASB pronouncements. Proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *water/sewer enterprise fund* is the only major enterprise fund. This fund accounts for the operations of the water distribution and the sewer collection systems as well as related construction projects.

Internal service fund accounted for operations that provided services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The Internal service fund is eliminated this year and the expense occurs in the appropriate fund.

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The County's fiduciary funds are all agency funds.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity. The County accounts for assets held with Constitutional Officers for property taxes, fines and fees paid within the judicial system.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation – Continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

4. Budgets

Annual appropriated budgets are adopted for the general, debt service, capital projects and special revenue funds on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for capital projects funds. Annual budgets for the enterprise funds are adopted for management control purposes.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is used in the governmental funds.

The County utilizes the following schedule in establishing the budgetary data reflected in the financial statements:

a. Prior to June 1, the Chairman submits to the County Commission, a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them.
b. The Commission holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Paulding County.
c. The budget is then reviewed and adopted or amended by the Commission at the first regular meeting in August of the year to which it applies.
d. Departmental budgets so adopted require revision by formal action of the Commission if the revision is greater than $50,000. No increase can be made to increase budgeted expenditures without provision also being made for financing such an increase.
e. The legal level of budgetary control is at the department level.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Budgets (continued)

During the year supplemental appropriations were made in the amount of $ 18,601,128. These increases were primarily due to the general fund carryover expenses related to the flood and additional SPLOST projects carried out during the year as approved, and the additional federal funding of the East Hiram Parkway project. These expenditures were recorded in the general fund, SPLOST III fund as well as the Capital projects fund. These additional appropriations were funded by federal grants as well as fund balance.

5. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, highly liquid investments such as money market mutual funds and short-term investments with a maturity date within three months of the date acquired by the County.

6. Investments

State statutes authorize the County to invest in obligations of the U.S. Government or its agencies and corporations, obligations fully insured or guaranteed by the U.S. Government or its agencies, prime bankers acceptances, the State of Georgia Local Government Investment Pool, obligations of other political subdivisions of the State of Georgia, and repurchase agreements. Investments are recorded at fair value.

7. Short-term/Long-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances.

8. Inventory

In the governmental funds the cost of inventory is recorded as an expenditure when acquired (purchase method) and is not inventoried at year end due to immateriality. Enterprise funds' inventories are valued at cost, which approximates market, using the first-in, first-out method and are expensed when used (i.e. the consumption method).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the County's fiscal year end are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

10. Restricted Assets

Certain proceeds of Water/Sewer Revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Any reimbursements from outside sources for these projects are restricted accordingly.

Liabilities payable from these restricted assets include accrued interest payable on revenue bonds and the current portions of revenue bonds payable.

The bond resolutions place restrictions on additional bond issues and contain certain accounting provisions.

Customer deposits received by the Water and Sewer fund to initiate service are classified as a restricted asset because funds will be returned to the customer when service is terminated.

11. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities in the government-wide statement of net assets and depreciated over their estimated useful lives in the government-wide statement of activities. Capital assets are defined by the County as assets with an individual cost of greater than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land and buildings are capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation. No depreciation is taken on the donated assets in the same year of contribution.

Depreciation on donated assets and infrastructure begins in the year following donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Interest costs incurred during construction of capital assets are not capitalized in governmental activities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Captial Assets - Continued

Property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	30
Furniture and Fixtures	5-10
Equipment	5-10
Water distribution system	40
Sewer system	40
Infrastructure	40

Infrastructure assets acquired prior to December 31, 1980 are included in the amounts reported.

12. Compensated Absences

On the government-wide statements, vacation and sick pay is accrued and reported as a liability for the governmental activities similar to business-type activities. Vested or accumulated vacation and sick leave is recorded in government-wide as well as proprietary as an expense and liability of those funds as the benefits accrue to employees.

13. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

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 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.

14. Fund Equity/Net Assets

The County implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as of July 1, 2010. This new standard changed the overall definitions and classifications of governmental fund balances.
In the fund financial statements, governmental fund equity is classified as "fund balance".

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Fund Equity/Net Assets –Continued

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

Fund balances are classified as follows:

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

- **Restricted** – Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation (same as restricted net assets)

- **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 Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners 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 the adoption of the fund balance policy the Board of Commissioners has authorized the County's Finance Director or the County Administrator 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 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:

- Committed
- Assigned
- Unassigned

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Fund Equity/Net Assets –Continued

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other assets are reported as unrestricted.

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

15. Bond Discounts/Premiums/Issuance Costs

On the government-wide statement of net assets and the proprietary fund statement of net assets, bond premiums and discounts are netted against bonds payable, and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance cost are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund financial reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures.

16. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used, are reported as transfers.

17. Use of Estimates in the Preparation of Financial Statements

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

18. Operating/Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in the proprietary funds ongoing operations. The principal operating revenues of the Water/Sewer system, landfill and DFACS building are charges to customers for services and building lease. The water/sewer system also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of June 30, 2011, all of the County's deposits were insured and collateralized.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the investments with maturities greater than one year to 25%. As a means of limiting its exposure to credit risk of investments the County limits its investments to those types disclosed in Note A (6) and by diversifying its investment portfolio. As a means of limiting its exposure to custodial risk securities are held by an independent third party in the name of the County.

Discretely Presented Component Units

At year end, Paulding County Health Department's cash deposits are insured by federal depository insurance or collateralized with securities held by the Health Department's agent in the Health Department's name.

At year end, Paulding County Industrial Building Authority's carrying amount of bank deposits was $9,801,816 and the bank balance was $9,829,356. The Authority's bank balances are categorized to indicate the level of risk assumed by the authority as follows:

1.) Insured or collateralized with securities held by the Authority or by its agent in the Authority's name, or FDIC	$ 750,285
2.) Collateralized with securities held by pledging financial institution's Trust department or agent in the Authority's name	9,079,071
	$ 9,829,356

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Discretely Presented Component Units - Continued

At year end, Paulding County Airport Authority's cash deposits are insured by federal depository insurance.

NOTE C – RECEIVABLES

Receivables as of year end consist of the following:

Primary Government

	Major Funds				
	General	Fire Tax	SPLOST III	SPLOST IV	Capital Projects
Taxes	$ 2,530,417	$ 610,969	$ -	$ 1,163,285	$ -
Intergovernmental	1,106,389	-	4,255,000	-	445,938
Other	236,923	-	-	-	-
Gross receivables	3,873,729	610,969	4,255,000	1,163,285	445,938
Less: Allowance for uncollectibles	(697,136)	(180,841)	-	-	-
Net receivables	$ 3,176,593	$ 430,128	$ 4,255,000	$ 1,163,285	$ 445,938

	Water and Sewer	Non-Major Funds	Trust and Agency
Taxes	$ -	$ 467,800	$5,390,081
Intergovernmental	-	-	-
Other	4,560,574	353,129	-
Gross receivables	4,560,574	820,929	5,390,081
Less: Allowance for uncollectibles	(1,055,363)	(148,826)	(1,751,777)
Net receivables	$ 3,505,211	$ 672,103	$3,638,304

The County levies property taxes between August 1 and October 31 based on an assessment date of January 1. The current year levy date was August 11. Property taxes are due by the later of November 15 or sixty days from the date the property tax bills are mailed at which time penalties and interest are assessed.

NOTE C – RECEIVABLES

Discretely Presented Component Units

As of June 30, 2011 the Component Units reported the following intergovernmental receivables:

Board of Health	$141,301
Industrial Building Authority	
Due from Airport Authority	$3,857,928
Due from Paulding County	6,176,830
Due from City of Dallas	6,445,000
Total Industrial Building Authority	$16,479,758
Total Component Units	$16,621,059

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of year end are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Water and Sewer	General Fund	$ 65,688
General Fund	SPLOST IV	2,524
General Fund	Non-major Governmental Fund	53,222
General Fund	Non-major Enterprise Fund	128,239
Fire Tax	General Fund	34,910
Capital Projects	General Fund	852,814
SPLOST III	General Fund	192,810
		$ 1,330,207

The purpose of interfund balances is to provide funds with sufficient funds for ongoing operations. Interfund balances are expected to be repaid within one year.

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers – Primary Government:

Fund	Transfer In	Transfer Out
General Fund	$ -	$ 200,000
Enterprise Funds:		
Nonmajor		
Solid Waste	200,000	-
	$ 200,000	$ 200,000

The General Fund contributes to the Solid Waste Fund. This is a budgeted expenditure of the General Fund and will continue until the revenues adequately meet the expenditures of the above mentioned fund.

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Governmental Activities					
Capital assets not being depreciated					
Land	$ 50,994,882	$ 99,000	$ 146,280	$ -	$ 50,947,602
Construction in Progress	14,702,504	20,050,618	-	(16,187,697)	18,565,425
Total capital assets not being depreciated	65,697,386	20,149,618	146,280	(16,187,697)	69,513,027
Capital assets being depreciated:					
Buildings and Improvements	145,444,032	288,052	-	667,460	146,399,544
Equipment	34,350,050	1,832,463	235,758	232,627	36,179,382
Infrastructure	220,613,322	-	-	15,287,610	235,900,932
Total capital assets being depreciated	400,407,404	2,120,515	-	16,187,697	418,479,858
Less accumulated depreciation for:					
Buildings	18,199,484	3,732,635	-	-	21,932,119
Equipment	24,326,654	2,391,007	235,758	-	26,481,903
Infrastructure	44,016,590	5,500,144	-	-	49,516,734
Total accumulated depreciation	86,542,728	11,623,786	235,758	-	97,930,756
Total capital assets, being depreciated, net	313,864,676	(9,503,271)	-	-	320,549,102
Total governmental activities capital assets, net	$ 379,562,062	$ 10,646,347	$ 146,280	$ -	$ 390,062,129

NOTE E - CAPITAL ASSETS-CONTINUED

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Business-type activities:					
Water/Sewer:					
Land	$ 1,412,012	$ 2,785	$ -	$ -	$ 1,414,797
Construction in Progress	2,720,026	1,931,761	-	(4,590,689)	61,098
Total capital assets not being depreciated	4,132,038	1,934,546	-	(4,590,689)	1,475,895
Capital assets being depreciated:					
Buildings	1,635,076	63,940	-	-	1,699,016
Equipment	3,220,846	-	11,475	-	3,209,371
Water distribution system	106,641,889	512,081	-	3,838,993	110,992,963
Sewer system	86,357,300	2,500,000	-	751,696	89,608,996
Total capital assets being depreciated	197,855,111	3,076,021	11,475	4,590,689	205,510,346
Less accumulated depreciation for:					
Buildings	584,804	50,429	-	-	635,233
Equipment	2,495,662	183,757	11,475	-	2,667,944
Water distribution system	27,992,562	2,774,220	-	-	30,766,782
Sewer system	8,743,755	2,287,654	-	-	11,031,409
Total accumulated depreciation	39,816,783	5,296,060	11,475	-	45,101,368
Total capital assets, being depreciated, net	158,038,328	(2,220,039)	-	-	160,408,978
Water and sewer capital assets, net	$ 162,170,366	$ (285,493)	$ -	$ -	$ 161,884,873
Other business-type activity programs:					
Land	$ 612,233	$ -	$ -	$ -	$ 612,233
Capital assets being depreciated:					
Buildings	3,650,477	-	-	-	3,650,477
Equipment	1,499,990	-	-	-	1,499,990
Total capital assets being depreciated	5,150,467	-	-	-	5,150,467
Less accumulated depreciation for:					
Buildings	917,145	77,862	-	-	995,007
Equipment	1,307,537	63,694	-	-	1,371,231
Total accumulated depreciation	2,224,682	141,556	-	-	2,366,238
Total capital assets, being depreciated, net	2,925,785	(141,556)	-	-	2,784,229
Other enterprise funds capital assets, net	3,538,018	(141,556)	-	-	3,396,462
Business-type activities capital assets, net	$ 165,708,384	$ (427,049)	$ -	$ -	$165,281,335

NOTE E - CAPITAL ASSETS-CONTINUED

Depreciation expense on assets used by governmental activities was charged to functions as follows:

Governmental Funds:	
General government	$ 2,437,160
Judicial	91,104
Public safety	1,532,211
Public works	5,966,312
Culture and recreation	530,019
Health and welfare	45,458
Housing and development	1,021,522
Total depreciation expense-governmental funds	$ 11,623,786
Business-type Funds	
Water/Sewer	$ 5,296,060
Landfill	63,694
DFCS Facility	77,862
Total depreciation expense - business-type activities	$ 5,437,616

Discretely Presented Component Units

Activity for the Industrial Building Authority for the year ended June 30, 2010, is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Business Type activities:				
Capital assets not being depreciated				
Land	$ 1,517,002	$ 464,072	$ -	$ 1,981,074
Construction in progress	134,709	368,996	-	503,705
Total capital assets not being Depreciated	1,651,711	833,068	-	2,484,779
Capital assets being depreciated				
Buildings	-	542,993	-	542,993
Infrastructure	122,660	217,745	-	340,405
Equipment and vehicles	21,882	-	-	21,882
Total capital assets being Depreciated	144,542	760,738	-	905,280
Less accumulated depreciation for				
Buildings	-	3,394	-	3,394
Infrastructure	1,533	8,510	-	10,043
Equipment and vehicles	19,282	1,857	-	21,139
Total accumulated depreciation	20,815	13,761		34,576
Total capital assets being Depreciated, net	123,727	746,977	-	870,704
Total Industrial Building Authority capital Assets, net	$1,775,438	$1,580,045	$ -	$ 3,355,483

NOTE E - CAPITAL ASSETS-CONTINUED

Discretely Presented Component Units-continued

Activity for the Airport Authority for the year ended June 30, 2011, is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Business Type activities:				
Capital assets not being depreciated				
Land	$ 3,863,253	$ -	$ -	$ 3,863,253
Construction in progress	312,405	61,016	(217,745)	155,676
Total capital assets not being Depreciated	4,175,658	61,016	(217,745)	4,018,929
Capital assets being depreciated				
Buildings	286,982	-	-	286,982
Infrastructure	49,522	-	-	49,522
Equipment and vehicles	-	1,351	-	1,351
Total capital assets being Depreciated	336,504	1,351	-	337,855
Less accumulated depreciation for				
Buildings	3,587	7,175	-	10,762
Infrastructure	1,238	1,238	-	2,476
Equipment and vehicles	-	68	-	68
Total accumulated depreciation	4,825	8,481	-	13,306
Total capital assets being Depreciated, net	331,679	(7,130)	-	324,549
Total Airport Authority capital Assets, net	$ 4,507,337	$ 53,886	$ (217,745)	$ 4,343,478

NOTE F - LANDFILL CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Governmental accounting standards require the County to estimate and accrue for future costs associated with the closure and post-closure care of the landfill. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and post-closure care costs at year end totaled $3,313,302. This amount is based on the total estimated cost of closure and post-closure costs multiplied by management's estimate of the percentage of landfill capacity used at year end (94%). The estimated total current cost of the landfill closure and post-closure care (approximately $3,524,789) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2011. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of June 30, 2011 it is estimated that the remaining life of the landfill is eight years.

NOTE G - LONG-TERM DEBT

1. Changes in Long-Term Debt

The following is a summary of changes in general long-term debt during the year.

	Balance June 30, 2010	Additions	Payments	Balance June 30, 2011	Due within 1 year
Governmental Activities:					
Bonds Payable					
2003 Refunding & Improvements	$ 1,390,000	$ -	$ (685,000)	$ 705,000	$ 705,000
Series 2007 general obligation bonds- Conservation Project	13,395,000	-	(790,000)	12,605,000	825,000
Series 2007 general obligation bonds-Gov't Complex Project	61,995,000	-	(920,000)	61,075,000	950,000
Series 2009 Refunding	5,000,000	-	-	5,000,000	65,000
Unamortized Bond Premium	3,356,703	-	(534,348)	2,822,355	-
Less deferred amounts					
On refunding	(61,874)	-	15,198	(46,676)	-
Total Bonds Payable	85,074,829	-	(2,914,150)	82,160,679	2,545,000
Compensated absences	2,903,115	2,479,312	(2,140,428)	3,241,999	2,334,239
Governmental activity Long-term liabilities	$ 87,977,944	$ 2,479,312	$(5,054,578)	$85,402,678	$ 4,879,239

For the governmental activities, compensated absences are generally liquidated by the General Fund.

NOTE G - LONG-TERM DEBT – CONTINUED

1. Changes in Long-Term Debt - Continued

	Balance June 30, 2010	Additions	Payments	Balance June 30, 2011	Due within 1 year
Business-type activities:					
Bonds Payable					
1993 Water Revenue Bonds	$ 4,790,000	$ -	$(1,095,000)	$3,695,000	$1,160,000
2004 Water Revenue Bonds	10,870,000	-	(630,000)	10,240,000	660,000
2009 Water Revenue Bonds	15,040,000	-	(715,000)	14,325,000	730,000
2009A Water Revenue Bond:	17,755,000	-	(420,000)	17,335,000	450,000
Unamortized Bond Premium	2,075,245	-	(253,926)	1,821,319	-
Deferred Bond Refunding Cost	(392,247)	-	48,013	(344,234)	-
Total Bonds Payable	50,137,998	-	(3,065,913)	47,072,085	3,000,000
Loans Payable					
1993 GEFA loan	155,630	-	(86,859)	68,771	68,771
2010 GEFA loan	628,459	31,541	-	660,000	20,331
2001 Installment note	1,248,440	-	(155,588)	1,092,852	163,196
Intergovernmental payable,					
Industrial Building Authority	6,045,000	-	(335,000)	5,710,000	350,000
Compensated Absences	236,409	210,577	(153,390)	293,596	203,294
Landfill Closure/Post Closure	3,215,839	97,463	-	3,313,302	333,180
Business-type activities					
Long-term liabilities	$ 61,667,775	$ 339,581	$(3,796,750)	$58,210,606	$4 ,138,772

NOTE G - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds

General obligations bonds at year end consisted of the following:

Series 2003 general obligation refunding and improvement bonds (original amount - $5,100,000) due in annual principal maturities of $570,000 to $705,000 through August 2011; interest at 2.94%, payable August 1 and February 1. The 2003 bond issue refunded the 1993 bond issue.

Series 2007 general obligation bonds (original amount - $14,885,000) due in principal maturities of $730,000 to $1,315,000 through 2023; interest at 4.00% payable August 1 and February 1. The 2007 Conservation issue provided financing for acquiring land to conserve open space.

Series 2007 general obligation bonds (original amount - $65,000,000) due in principal maturities of $895,000 to $4,885,000 through 2032; interest at 4.00% to 5.00% payable August 1 and February 1. The 2007 Courthouse-Government Complex issue provided financing for construction of the courthouse and administration building.

Series 2009 general obligation bonds (original amount - $5,000,000) due in principal maturities of $65,000 to $ 1,290,000 through 2015; interest at 2.25% to 3.00% payable August 1 and February 1. The 2009 bond issue refunded the 1999 bond issue. The 1999 bond issue was completely defeased in FY 2010, therefore the balance is $0 at June 30, 2011.

NOTE G - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds - Continued

Future maturities of principal and interest on general obligation bonds at June 30, 2011 are as follows:

Year ending June 30,	Principal	Interest	Total
2012	$ 2,545,000	$ 3,597,852	$ 6,142,852
2013	$ 2,970,000	$ 3,501,638	$ 6,471,638
2014	$ 3,065,000	$ 3,400,876	$ 6,465,876
2015	$ 3,180,000	$ 3,285,663	$ 6,465,663
2016	$ 3,295,000	$ 3,174,401	$ 6,469,401
2017	$ 3,410,000	$ 3,060,113	$ 6,470,113
2018	$ 3,580,000	$ 2,891,012	$ 6,471,012
2019	$ 3,755,000	$ 2,716,188	$ 6,471,188
2020	$ 3,945,000	$ 2,529,838	$ 6,474,838
2021	$ 4,130,000	$ 2,337,413	$ 6,467,413
2022	$ 4,330,000	$ 2,142,063	$ 6,472,063
2023	$ 4,500,000	$ 1,967,863	$ 6,467,863
2024	$ 3,345,000	$ 1,782,313	$ 5,127,313
2025	$ 3,510,000	$ 1,615,063	$ 5,125,063
2026	$ 3,685,000	$ 1,439,563	$ 5,124,563
2027	$ 3,870,000	$ 1,255,313	$ 5,125,313
2028	$ 4,055,000	$ 1,071,488	$ 5,126,488
2029	$ 4,250,000	$ 878,875	$ 5,128,875
2030	$ 4,430,000	$ 698,250	$ 5,128,250
2031	$ 4,650,000	$ 476,750	$ 5,126,750
2032	$ 4,885,000	$ 244,250	$ 5,129,250
	$ 79,385,000	$ 44,066,778	$ 123,451,778

NOTE G - LONG-TERM DEBT – CONTINUED

3. Water Revenue Bonds

Outstanding revenue bonds at June 30, 2011, collateralized by all revenues of the County's water and sewer system, consist of the following:

Series 1993 A & B revenue bonds (original amount - $16,910,000) due in principal maturities of $560,000 to $1,035,000 through 2013; interest at 3.50% to 6.00% payable June 1 and December 1. The 1993 issue provided financing for water and sewer infrastructure.	$ 3,695,000
Series 2004 revenue bonds (original amount - $ 13,675,000) due in principal maturities of $ 475,000 to $ 1,375,000 through 2022; interest at 3.00% to 5.00% payable June 1 and December 1. The 2004 issue provided financing for water and sewer infrastructure.	10,240,000
Series 2009 revenue bonds (original amount - $ 15,740,000) due in principal maturities of $ 700,000 to $ 4,920,000 through 2023; interest at 2.00% to 5.00% payable June 1 and December 1. The 2009 issue provided financing for water and sewer infrastructure.	14,325,000
Series 2009A revenue bonds (original amount - $ 17,755,000) due in principal maturities of $ 420,000 to $ 2,150,000 through 2021; interest at 2.00% to 5.00% payable June 1 and December 1. The 2009A issue refunded the 1999 bond issue. The 1999 bond issue was completely defeased in FY 2010, therefore the balance is $0 at June 30, 2011.	17,335,000
Gross bonds payable	45,595,000
Less: Unamortized deferred loss on refunding	(344,234)
Unamortized bond premium	1,821,319
Net bonds payable	$ 47,072,085

NOTE G - LONG-TERM DEBT – CONTINUED

3. Water Revenue Bonds - Continued

The following is a summary of Water Revenue bond debt service to maturity as of year end:

Year ending June 30,	Principal	Interest	Total
2012	3,000,000	1,883,644	4,883,644
2013	3,130,000	1,753,856	4,883,856
2014	3,260,000	1,618,994	4,878,994
2015	3,405,000	1,494,081	4,899,081
2016	3,520,000	1,381,575	4,901,575
2017	3,635,000	1,241,493	4,876,493
2018	3,810,000	1,090,132	4,900,132
2019	3,950,000	940,300	4,890,300
2020	4,110,000	765,378	4,875,378
2021	4,315,000	563,425	4,878,425
2022	4,450,000	342,050	4,882,050
2023	4,920,000	114,275	5,034,275
	$ 45,595,000	$13,189,203	$ 58,784,203

The County has pledged future water customer revenues, net of specified operating expenses, to repay $45.595 million in water revenue bonds issued from 1993 to 2009. Proceeds from the bonds provided financing for water and sewer infrastructure. The bonds are payable from water customer net revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require approximately less than 20 percent of operating revenues. The total principal and interest remaining to be paid on the bonds is $58,784,203. Principal and interest paid for the current year and total customer revenues were $4,863,119 and $23,486,640, respectively.

NOTE G - LONG-TERM DEBT – CONTINUED

4. Loans Payable

Outstanding loans of the Water and Sewer Fund and Non-major Enterprise Funds at year end, consist of the following:

1993 loan (original amount - $1,075,462) payable in quarterly installments of $23,644, including interest at 6.25%, through January 1, 2012, provide financing for expansion of water and sewer infrastructure.	$ 68,771
Intergovernmental payable to Industrial Building Authority (original amount – $ 6,370,000) due in semiannual installments of $335,000 to $500,000 through 2023; interest at 3.00% to 4.30% payable June 1 and December 1. This payable Funds the 2003 Series B & C issued to construct a sewer treatment plant	5,710,000
2001 Installment sale note agreement (original amount - $2,523,500) payable in monthly installments of $20,087, including interest at 3.90%, through June 3, 2015, provide financing for a building leased to the Department of Family Children Services.	1,092,852
2010 Georgia Environmental Facilities Authority loan (original amount- $660,000) payable in monthly installments of $3,660, including interest At 3.0%, through August 1 , 2031, provide financing for water reuse lines.	660,000
	$ 7,531,623

The following is a summary of future annual maturities of the loans payable:

Year ending June 30,	Principal	Interest	Total
2012	602,298	297,751	900,049
2013	556,527	278,298	834,825
2014	580,823	256,322	837,145
2015	600,566	232,809	833,375
2016	625,744	208,009	833,753
2017	633,741	181,773	815,514
2018-2023	3,931,924	693,570	4,625,494
	$ 7,531,623	$ 2,148,532	$ 9,680,155

NOTE G - LONG-TERM DEBT – CONTINUED

5. Industrial Building Authority Component Unit Long – Term Debt

On December 1, 2003 the Authority issued $10,995,000 of Revenue Bonds. The bonds were issued in three separate series for various purposes. Series A (taxable) of the debt in the amount of $3,085,000 was issued for the purchase of land for an industrial park and is payable over 15 years at an interest rate not to exceed 5.0%. Series B (tax-exempt) of the debt in the amount of $4,800,000 was issued for the construction of a wastewater treatment facility project and is payable over 18 years with a maximum interest rate of 4.3%. Series C (tax-exempt) of the debt in the amount of $3,110,000 were also issued for the construction of a wastewater treatment facility and is payable over 18 years with a maximum interest rate of 4.0%. The funds from the 2003B and 2003C Series have been transferred to Paulding County, Georgia to cover the cost of the Upper Sweet Water Sewer Plant. Ownership of the facility is now with Paulding County, Georgia. The County and the Authority entered into an intergovernmental contract dated December 1, 2003 whereby the County is obligated to make principal and interest payments on the 2003B and 2003C bonds as they mature. As a result a receivable is recorded for the Industrial Building Authority to correspond to the payable to the Industrial Building Authority for the County. The debt service requirement for this agreement mirror the bonds.

On August 1, 2010, the Authority issued $6,445,000 of Revenue Bonds (federally Taxable – Recovery Zone Economic Development Bonds) (City of Dallas Project). The Series 2010 Taxable Revenue Bonds were issued to provide funds to pay the cost of making renovations, additions, extensions and expansions to a portion of the City of Dallas, Georgia Water and Sewerage System. The City of Dallas and the Authority have entered into an Intergovernmental Contract dated August 1, 2010, whereby the City is obligated to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the Bonds as they mature.

On May 1, 2011, the Authority issued $7,900,000 of Revenue Bonds. The Bonds were issued in two separate series for various purposes. The Series 2011A Revenue Tax-Exempt Bonds in the amount of $1,100,000 were issued for the purpose of construction of Airport and Airport Technology Park Water Tank and Fire Protection. The Series 2011B Taxable Revenue Bonds in the amount of $6,800,000 were issued for the purposes of construction of PJC Hanger with an approximate cost of $1,200,000 and the construction of a Film Studio with an approximate cost of $5,000,000 with remaining $600,000 to cover the cost of issuing the Bonds. Operational revenue is anticipated from these projects. The net income from this project will be applied toward this bond debt. However, Paulding County, Georgia (County) and the Authority have entered into an Intergovernmental Contract dated May 1, 2011, whereby the County is obligated to make payments to the Authority sufficient in time and amounts to enable the Authority to pay the principal and interest on the 2011A and 2011B Revenue Bonds as they mature.

NOTE G - LONG-TERM DEBT – CONTINUED

5. Industrial Building Authority Component Unit Long – Term Debt - Continued

	Balance June 30, 2010	Additions	Payments	Balance June 30, 2011	Due within 1 year
Industrial Building Authority					
Revenue Bonds Payable					
2003 Revenue Bonds	$ 8,475,000	$ -	$ (460,000)	$ 8,015,000	$ 480,000
2010 Revenue Bonds	-	6,445,000	-	6,445,000	-
2011 Revenue Bonds	-	7,900,000	-	7,900,000	-
Unamortized Bond Premium	57,596	-	(6,400)	51,196	-
Unamortized Bond Discount		(88,331)		(88,331)	-
Total Bonds Payable	$ 8,532,596	$ 14,256,669	$ 466,400	$ 22,322,865	$ 480,000

The total annual debt service requirements to maturity for all debts outstanding are as follows:

Year ending June 30,	Principal	Interest	Total
2012	$ 480,000	$ 1,041,220	$ 1,521,220
2013	790,000	1,023,212	1,813,212
2014	955,000	998,920	1,953,920
2015	1,020,000	966,536	1,986,536
2016	1,085,000	929,884	2,014,884
2017-2021	6,230,000	3,960,063	10,190,063
2022-2026	6,685,000	2,343,054	9,028,054
2027-2031	5,115,000	839,556	5,954,556
	$ 22,360,000	$ 12,102,445	$ 34,462,445

NOTE H - OPERATING LEASE AGREEMENT

The County leases several buildings to third parties under operating lease agreements. One lease may be renewed annually through June 30, 2017. One lease may be renewed or extended in three successive periods of five years. Fiscal year 2011 includes minimum operating lease agreements totaling $333,315.

NOTE I – CAPITAL CONTRIBUTIONS

During the year ended June 30, 2011, capital contributions from customers, developers, State Department of Transportation and the Federal Airport Administration totaled $ 719,695 consisting of the following items:

Contributed From	Purpose	Amount
Developers	Contributed Water Lines Infrastructure	$ 234,055
Customers	Tap Fees Collected	485,640
		$ 719,695

NOTE J - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Association County Commissioners of Georgia (ACCG) Workers' Compensation Self-Insurance Fund and the ACCG Interlocal Risk Management Agency (IRMA) public entity risk pool which operate as common risk management and insurance programs. ACCG establishes and administers these public entity risk pools to prevent or lessen the incidence and severity of casualty and property losses and workers' compensation claims incurred by the County. The ACCG pools are obligated to provide for the cost of claims and related interest incurred by the County along with the cost of investigating, negotiating and defending such claims. The County pays an insurance premium to the ACCG pools for coverage against these risks of loss. Settled claims have not exceeded insurance coverage in any of the last three years. There have been no significant reductions of insurance coverage from the prior year.

NOTE K - COMMITMENTS AND CONTINGENCIES

Litigation

Various claims and legal proceedings are pending against the County seeking monetary damages and other relief. The amount of liability from all claims and actions cannot be determined with certainty, but in the opinion of management and legal counsel, the ultimate liability from all pending legal proceedings, asserted legal claims, and known potential legal claims which are probable of assertion should not materially affect the financial position of the County.

Construction Contracts

As of June 30, 2011, the County's remaining obligation on uncompleted construction contracts totaled approximately $ 12,426,407 consisting of Water and Sewer contracts, $27,375 and Department of Transportation contracts, 12,399,032.

NOTE L - DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia ("ACCG") Paulding County Defined Benefit Plan (the "Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Actuarial information included in this footnote is as of January 1, 2011 (the date of the most recent actuarial valuation date).

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65, with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of average compensation up to $6,600 plus 1.5% of average compensation in excess of $6,600 plus $36 for each year of service (up to 35 years) payable as a life annuity. Compensation is averaged over the five-year period immediately prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners and may be amended by a similar adoption.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the projected unit credit actuarial method.

ACCG issues a publicly available actuarial report that includes required supplementary information for the Plan. That report may be obtained by calling (770) 563-9368.

NOTE L - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy

Contributions to the Plan are authorized and may be amended by the Board of Commissioners. ACCG Plan funding policy provides for the making of required actuarially determined periodic contributions under the projected unit credit actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation described by Statement No. 25 of the Governmental Accounting Standards Board. In addition, the cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enables sufficient assets to accumulate for such time as benefits become due.

Any excess of the actuarial accrued liability ("AAL") as of January 1, 1988 over the Plan's assets as of that date is amortized over closed periods on a two-tier basis as follows: a) if the value of benefits accumulated as of January 1, 1988 (based on current salary history, not projected) exceeds the Plan's assets, that excess is amortized over ten years, beginning January 1, 1988; plus b) the additional unfunded AAL as of January 1, 1988 is amortized over 30 years, beginning January 1, 1988.

For January 1, 1989, and later valuations, three additional amortization amounts may apply: c) the amortization of the change in AAL attributable to Plan amendments over 20 years, beginning on the effective date of the amendment; plus d) the amortization of the cumulative difference between the actual calculated unfunded AAL as of the valuation date and the expected unfunded AAL (based on the actuarial assumptions used for funding purposes) over 15 years; plus e) the amortization of the change in unfunded AAL resulting from changes in actuarial assumptions over 30 years.

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) projected salary increases of 5.50% (3.0% inflation and 2.5% merit) per year compounded annually, and (c) no post-retirement benefit increases, (d) active participants of 593. The actuarial value of the Plan's assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period as of January 1, 2011 was 10 years.

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Annual Pension Cost

The following is the schedule of funding progress of the plan as of the most recent valuation date, January 1, 2011:

Actuarial value of assets	$ 19,014,520
Actuarial accrued liability (AAL)	24,382,524
Unfunded actuarial accrued liability (UAAL)	5,368,004
Funded ratio	78.0%
Covered Payroll	22,630,176
UAAL as a percentage of Covered payroll	23.7%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The County's actuarially required contribution, pension cost, and decrease in net pension asset for the year ended June 30, 2011, were computed as follows:

Schedule of Employer Contributions:

Year ended June 30,	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
2011	$ 2,033,143	$ 2,009,221	99%	$ (414,114)
2010	1,977,229	1,974,840	99%	(438,036)
2009	1,703,500	1,765,801	104%	(440,425)

Derivation of Net Pension Asset:

	2011
Net Pension Asset as of Beginning of Prior Year	$ (438,036)
Annual Pension Cost for Prior Year	2,033,143
Actual contributions to Plan for Prior Year	2,009,221
Decrease in Net Pension Asset	23,922
Net Asset as of End of Year	$ (414,114)

Derivation of Annual Pension cost:

Annual Required Contribution	$ 2,030,774
Interest on Net Pension Obligation	(33,856)
Amortization of Net Pension Obligation	36,225
Annual Pension Cost	$2,033,143

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Contributions totaling $2,009,221 were paid in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2011 for the 2011 Plan Year. The contributions represented 23.70% of the covered payroll for 2011. 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 January 1, 2011.

NOTE M - DEFINED CONTRIBUTION PLAN

The County adopted the Paulding County Supplemental Retirement Plan on June 1, 2004. This plan is administered by AIG VALIC. The 401 (a) is a defined contribution plan that covers substantially all employees.

The County will match any contribution made by an employee to the deferred compensation plan on a 1 to 1 basis up to a maximum contribution by the County of 1% of employees annual salary. Contributions are calculated and made on a biweekly payroll basis. The Board of Commissioners establishes required contribution and matching percentages.

Employees become eligible for the plan on the date of hire provided they are full-time and work a minimum of 30 hours per week. Actual participation in the plan begins with the first payroll following their date of hire. Participants are fully vested in the plan after five years of service.

The County has made the following contributions to the plan:

	County Contributions	Employee Contributions
2010	$ 267,232	$ 711,563
2011	272,354	725,507
	$ 539,586	$1,437,070

NOTE N - JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the fifteen county northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC). Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC's in Georgia. The RC Council membership includes the chief elected official of each county, the largest municipality of the county and one non-public member from the county. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. During the year, the County paid $123,692 in dues to the NWGRC. The financial requirements of the County related to the NWGRC are limited to the amount of its annual dues. Separate financial statements may be obtained by writing to Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162-1798.

NOTE O – FUND EQUITY

Nonspendable – The following fund balances are non-spendable because they are allocated to:

General Fund	
Prepaid Items	$ 369,532

Restricted – The following balances are restricted for:

Major Funds:	
General Fund – used to account for grants funds received to complete flood repair	$ 351,717
Fire Tax Fund – used to account for operation of the Fire Dept.	$ 6,027,608
SPLOST III – used to account for capital projects financed with SPLOST	$20,868,478
SPLOST IV – used to account for capital projects financed with SPLOST	$ 2,993,092
Capital Projects Fund – used to account for the bond proceeds issued for reservoir and courthouse construction projects	$ 1,490,633
Non-major funds:	
Law Library Fund – used to account for operations of the Law Library	$ 105,934
Drug Confiscation Account – Used to account for resources confiscated and expensed In the fight against drugs	$ 27,838
Victim Witness Fund – accounts for the operational expenses used in the Victim Witness program	$ 89,629
Clerk's Technology – accounts for resources used to improve technology in the Clerk of Court's office	$ 383,017

NOTE O – FUND EQUITY (CONTINUED)

Non-major funds (continued):

Emergency 911 Fund – Used to account for the operations of the E-911 center		$ 1,253,949
Jail Fund – accounts for the inmate supplies and capital purchases of the Jail		$ 719,537
Supplemental Juvenile – accounts for outside sources utilized within the court system for treatment and evaluation		$ 159,000
Drug Use Treatment – accounts for fines collected to be used In drug treatment and prevention education		$ 56,527
Debt Service Fund – Used to account for the principal and interest payment of General long term debt		$ 1,313,563
Committed – The following fund balance are committed to:		
Sheriff Commissary – used to account for the receipts and Purchases inmates incur while incarcerated		$ 166,972
Assigned – The following fund balances are assigned to:		
General Fund:		
Encumbrances- As of June 30, 2011, the county encumbered Amounts they intend to honor in the subsequent year		
Encumbrance detail		
Reservoir	$457,011	
DOT Infrastructure Maintenance	$919,233	
Sheriff training supplies & Equipment	$ 71,221	
Other supplies	$228,011	$ 1,675,476
Landfill cost of closure		$ 1,425,000
2012 Budget		$ 546,641
Capital Projects Fund – used to construct or purchase Capital assets		$ 733,069

Unassigned – The County's policy is to maintain an adequate General fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster. Through resolution, the Board of Commissioners has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 25 percent of budgeted expenditures

NOTE P – DEFICIT FUND EQUITY

The Solid Waste Fund has a deficit fund equity of $ 2,423,528 as of June 30, 2011. The deficit occurred due to the recognition of the landfill closure and post-closure care liability as described in Note F. Annually, a contribution is made from the General Fund to reduce this deficit.

Expenditures exceeded appropriations at the department level as follows:

Major Funds	
General Fund	
District Attorney	$10,178
Coroner	485
Utility Coordinator	35,690
Public Safety – general appropriations	862
Health and Welfare – grants	57,978
Health and Welfare – general appropriations	153
SPLOST III Fund	
Marshal	25,573
SPLOST IV Fund	
Housing and Development	2,524
Capital Projects Fund	
Community Development	565,830
Non-Major funds	
Victims Witness	45,268
Law Library	44,927

These over expenditures were funded by greater than anticipated revenues in the case of the general fund, law library, SPLOST IV fund and by fund balance in the SPLOST III fund, capital projects fund and victim witness fund.

NOTE Q - RESTATEMENT

The County made a prior period adjustment to include a correction to the deferred revenue in 2010 and therefore resulting in an overstatement to prior year revenue in the following amounts: General Fund, $498,513; Fire Tax, $112,323; Debt Service, $ 89,135.

A prior period adjustment was made in the Governmental Activities on the Statement of Activities in the amount of $1,208,271. This accounts for a grant that was awarded in 2010, but not received until 2011.

Required Supplementary Information (unaudited)

PAULDING COUNTY, GA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

The information presented below on the annual actuarial valuations as of December 31 of each year.

	2010	2009	2008	2007	2006	2005	2004
Actuarial value of assets	19,014,520	16,846,581	14,720,347	13,763,518	11,772,193	9,852,994	8,349,900
Actuarial accrued liability (AAL)	24,382,524	22,579,553	19,962,472	17,491,188	15,471,763	13,776,583	12,046,648
Unfunded actuarial accrued liability (UAAL)	5,368,004	5,732,972	5,242,125	3,727,670	3,699,570	3,923,589	3,696,748
Funded ratio	78.0%	74.6%	73.7%	78.7%	76.1%	71.5%	69.3%
Covered Payroll	22,630,176	22,250,062	21,106,471	18,912,254	17,654,200	15,275,066	13,413,124
UAAL as a percentage of covered payroll	23.7%	25.8%	24.8%	19.7%	21.0%	25.7%	27.6%

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 43,658,400	$ 44,590,000	$ 45,036,966	$ 446,966
Licenses and permits	286,000	350,000	396,477	46,477
Intergovernmental	217,000	1,627,000	2,592,767	965,767
Charges for services	4,921,500	4,782,500	5,167,506	385,006
Fines and forfeitures	1,560,000	1,365,000	1,497,847	132,847
Investment income	25,000	15,000	53,539	38,539
Contributions and donations	-	391,630	289,455	(102,175)
Miscellaneous	265,000	304,000	312,028	8,028
Total Revenues	50,932,900	53,425,130	55,346,585	1,921,455
Expenditures				
Current				
General government	11,437,985	12,256,088	11,256,783	999,305
Judicial	4,893,800	4,923,587	4,674,766	248,821
Public safety	19,392,680	19,045,798	18,370,660	675,138
Public works	8,908,440	12,133,262	10,695,703	1,437,559
Health and welfare	1,544,400	1,832,470	1,856,781	(24,311)
Culture and recreation	2,976,766	3,043,959	2,859,945	184,014
Housing and development	2,072,490	2,188,955	2,133,986	54,969
Total Expenditures	51,226,561	55,424,119	51,848,624	3,575,495
Excess (deficiency) of revenues over expenditures	(293,661)	(1,998,989)	3,497,961	5,496,950
Other financing sources (uses):				
Sale of capital assets	-	-	35,163	35,163
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(164,837)	35,163
Net change in fund balance	$ (493,661)	$ (2,198,989)	3,333,124	$ 5,532,113
Fund balance, beginning, before restatement			19,893,122	
Restatement			(498,513)	
Fund balance, after restatement			19,394,609	
Fund balance, end of year			$ 22,727,733	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FIRE TAX FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 6,438,900	$ 6,700,000	$ 7,020,324	$ 320,324
Investment Income	-	-	21,298	21,298
Intergovernmental Revenue	-	-	76,371	76,371
Contributions and Donations	-	-	8,200	8,200
Miscellaneous	-	-	2,019	2,019
Total Revenues	6,438,900	6,700,000	7,128,212	428,212
Expenditures				
Public Safety				
Fire				
Personnel Services	6,252,600	6,592,811	6,511,716	81,095
Other Services and Charges	786,130	802,325	786,794	15,531
Capital Outlay	52,700	104,864	104,847	17
Total expenditures	7,091,430	7,500,000	7,403,357	96,643
Net change in fund balance	$ (652,530)	$ (800,000)	(275,145)	$ 524,855
Fund balance, beginning of year			6,415,076	
Restatement			(112,323)	
Fund balance, beginning after restatement			6,302,753	
Fund balance, end of year			$ 6,027,608	

Paulding County, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

NOTE A – ACTUARIAL VALUATION

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date:	January 1, 2011
Actuarial cost method:	Projected unit credit
Asset valuation method:	Market value
Amortization method:	Level dollar
Remaining amortization period:	10

The amortization period for this plan is closed.

Actuarial Assumptions Utilized:	
Investment rate of return:	7.75%
Projected salary increases:	5.5%
Includes inflation at	3.0%
Cost of living adjustment	None

Paulding County, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

NOTE B – EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY INDIVIDUAL FUND

Expenditures exceeded appropriations at the department level as follows:

Major Funds	
General Fund	
District Attorney	$10,178
Coroner	485
Utility Coordinator	35,690
Public Safety – general appropriations	862
Health and Welfare – grants	57,978
Health and Welfare – general appropriations	153
SPLOST III Fund	
Marshal	25,573
SPLOST IV Fund	
Housing and Development	2,524
Capital Projects Fund	
Community Development	565,830
Non-Major funds	
Victims Witness	45,268
Law Library	44,927

These over expenditures were funded by greater than anticipated revenues in the case of the general fund, law library, SPLOST IV fund and by fund balance in the SPLOST III fund, capital projects fund and victim witness fund.

General Fund

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 43,658,400	$ 44,590,000	$ 45,036,966	$ 446,966
Licenses and permits	286,000	350,000	396,477	46,477
Intergovernmental	217,000	1,627,000	2,592,767	965,767
Charges for Services	4,921,500	4,782,500	5,167,506	385,006
Fines and Forfeitures	1,560,000	1,365,000	1,497,847	132,847
Investment Income	25,000	15,000	53,539	38,539
Contributions and Donations	-	391,630	289,455	(102,175)
Miscellaneous	265,000	304,000	312,028	8,028
Total Revenues	50,932,900	53,425,130	55,346,585	1,921,455
Expenditures				
Current				
General Government				
Adminsitration				
Legislative				
Personnel Services	496,400	496,400	483,068	13,332
Operating Expenditures	127,000	127,000	130,015	(3,015)
	623,400	623,400	613,083	10,317
Executive				
Personnel Services	197,800	197,800	197,783	17
Operating Expenditures	14,700	14,700	11,336	3,364
	212,500	212,500	209,119	3,381
Elections				
Personnel Services	195,000	312,700	309,288	3,412
Operating Expenditures	222,100	104,420	76,158	28,262
	417,100	417,120	385,446	31,674
Finance				
Personnel Services	486,700	501,700	492,854	8,846
Operating Expenditures	27,800	22,800	18,919	3,881
	514,500	524,500	511,773	12,727
Information Technology				
Personnel Services	508,300	508,300	503,442	4,858
Operating Expenditures	578,575	582,655	547,104	35,551
Capital Outlay	-	48,934	48,199	735
	1,086,875	1,139,889	1,098,745	41,144
Human Resources				
Personnel Services	280,600	285,100	278,647	6,453
Operating Expenditures	27,000	22,500	19,329	3,171
	307,600	307,600	297,976	9,624

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
General Government - continued				
Government Facilities				
Personnel Services	406,300	406,300	380,113	26,187
Operating Expenditures	828,600	847,610	854,734	(7,124)
Capital Outlay	30,000	30,000	-	30,000
	1,264,900	1,283,910	1,234,847	49,063
Tax assessments and Collections				
Tax assessors:				
Personnel Services	1,254,300	1,254,300	1,160,010	94,290
Operating Expenditures	244,510	244,510	152,599	91,911
	1,498,810	1,498,810	1,312,609	186,201
				-
Tax Commissioner				
Personnel Services	790,600	790,600	754,730	35,870
Operating Expenditures	199,700	199,700	172,623	27,077
Capital Outlay	7,000	7,000	-	7,000
	997,300	997,300	927,353	69,947
Total Tax Assessment and Collections	2,496,110	2,496,110	2,239,962	256,148
General Appropriations				
Other Expenditures	4,515,000	5,251,059	4,665,832	585,227
Total General Government	11,437,985	12,256,088	11,256,783	999,305
Judicial				
Superior Court				
Personnel Services	484,200	484,200	421,773	62,427
Operating Expenditures	378,000	338,456	290,097	48,359
	862,200	822,656	711,870	110,786
Clerk of Superior Court				
Personnel Services	1,048,300	1,048,300	983,505	64,795
Operating Expenditures	72,900	72,900	53,296	19,604
	1,121,200	1,121,200	1,036,801	84,399
Probate Court				
Personnel Services	604,800	604,800	602,599	2,201
Operating Expenditures	91,700	91,700	82,077	9,623
	696,500	696,500	684,676	11,824
Magistrate Court				
Personnel Services	386,700	389,200	387,338	1,862
Operating Expenditures	16,400	16,400	13,657	2,743
	403,100	405,600	400,995	4,605
District Attorney				
Personnel Services	572,900	611,000	627,546	(16,546)
Operating Expenditures	174,000	169,231	164,176	5,055
Capital Outlay	-	6,500	5,187	1,313
	746,900	786,731	796,909	(10,178)

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Judicial - continued				
Juvenile Court				
Personnel Services	316,500	316,500	279,551	36,949
Operating Expenditures	268,500	268,500	279,084	(10,584)
	585,000	585,000	558,635	26,365
Public Defender				
Personnel Services	172,800	199,800	204,729	(4,929)
Operating Expenditures	306,100	306,100	280,151	25,949
	478,900	505,900	484,880	21,020
Total Judicial	4,893,800	4,923,587	4,674,766	248,821
Public Safety				
Coroner				
Personnel Services	44,100	44,100	44,557	(457)
Operating Expenditures	21,500	21,500	21,528	(28)
	65,600	65,600	66,085	(485)
Sheriff				
Personnel Services	11,165,800	10,987,800	10,582,794	405,006
Operating Expenditures	1,837,580	1,772,304	1,650,037	122,267
Capital Outlay	72,500	132,215	127,984	4,231
	13,075,880	12,892,319	12,360,815	531,504
Jail				
Personnel Services	3,335,300	3,335,300	3,263,195	72,105
Operating Expenditures	1,816,400	1,640,079	1,738,978	(98,899)
Capital Outlay	5,000	45,000	7,710	37,290
	5,156,700	5,020,379	5,009,883	10,496
Marshal				
Personnel Services	358,400	308,400	237,660	70,740
Operating Expenditures	64,900	49,900	38,958	10,942
	423,300	358,300	276,618	81,682

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Animal Control				
Personnel Services	526,200	526,200	469,493	56,707
Operating Expenditures	97,000	140,000	143,904	(3,904)
Capital Outlay	5,000	-	-	-
	628,200	666,200	613,397	52,803
General Appropriations				
Operating Expenditures	43,000	43,000	43,862	(862)
Total Public Safety	19,392,680	19,045,798	18,370,660	675,138
Public Works				
Roads and Bridges				
Personnel Services	2,725,200	2,725,200	2,692,270	32,930
Operating Expenditures	4,073,020	6,759,221	5,721,006	1,038,215
Capital Outlay	37,000	308,165	117,710	190,455
	6,835,220	9,792,586	8,530,986	1,261,600
Stormwater				
Personnel Services	380,500	380,500	359,543	20,957
Operating Expenditures	80,770	86,206	76,047	10,159
Capital Outlay	24,000	119,000	98,969	20,031
	485,270	585,706	534,559	51,147
Utility Coordinator				
Personnel Services	85,800	85,800	87,057	(1,257)
Operating Expenditures	807,200	807,200	841,633	(34,433)
	893,000	893,000	928,690	(35,690)
Maintenance Shop				
Personnel Services	541,900	541,900	524,537	17,363
Operating Expenditures	12,600	144,620	12,150	132,470
	554,500	686,520	536,687	149,833
Recycling				
Personnel Services	114,400	114,400	107,530	6,870
Operating Expenditures	26,050	26,050	22,251	3,799
Capital Outlay	-	35,000	35,000	
	140,450	175,450	164,781	10,669
Total Public Works	8,908,440	12,133,262	10,695,703	1,437,559

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Health and Welfare				
Mental Health Grant	50,000	50,000	50,000	-
General Health Grant	326,000	326,000	323,265	2,735
General Welfare Grant	28,000	18,000	16,528	1,472
Paulding Hospital Authority	500,000	800,000	862,185	(62,185)
	904,000	1,194,000	1,251,978	(57,978)
Senior Citizens Center				
Personnel Services	182,700	182,700	177,205	5,495
Operating Expenditures	84,500	74,300	62,445	11,855
Capital Outlay	15,000	-	-	-
	282,200	257,000	239,650	17,350
Senior Citizens Van				
Personnel Services	113,800	113,800	86,556	27,244
Operating Expenditures	17,500	17,500	31,444	(13,944)
	131,300	131,300	118,000	13,300
Bus Service				
Personnel Services	124,500	124,500	119,760	4,740
Operating Expenditures	47,400	62,670	64,240	(1,570)
	171,900	187,170	184,000	3,170
General Appropriations				
Operating Expenditures	55,000	63,000	63,153	(153)
Total Health and Welfare	1,544,400	1,832,470	1,856,781	(24,311)
Culture and Recreation				
Library				
Personnel Services	736,600	736,600	698,687	37,913
Operating Expenditures	122,500	122,780	107,782	14,998
Capital Outlay	100,000	161,500	161,309	191
	959,100	1,020,880	967,778	53,102
Recreation				
Personnel Services	1,220,500	1,220,500	1,090,640	129,860
Operating Expenditures	762,466	767,879	769,295	(1,416)
Capital Outlay	24,000	24,000	22,589	1,411
	2,006,966	2,012,379	1,882,524	129,855
General Appropriations				
Operating Expenditures	10,700	10,700	9,643	1,057
Total Culture and Recreation	2,976,766	3,043,959	2,859,945	184,014

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Housing and Development				
County Extension Service				
Personnel Services	31,100	31,100	30,558	542
Operating Expenditures	17,200	17,200	15,660	1,540
	48,300	48,300	46,218	2,082
Community Development				
Personnel Services	934,990	934,990	885,145	49,845
Operating Expenditures	188,800	188,809	212,544	(23,735)
Capital Outlay	5,000	5,000	4,617	383
	1,128,790	1,128,799	1,102,306	26,493
Airport				
Personnel Services	170,200	170,200	173,304	(3,104)
Operating Expenditures	95,200	156,656	130,214	26,442
	265,400	326,856	303,518	23,338
General Appropriations				
Operating Expenditures	630,000	685,000	681,944	3,056
Total Housing and Development	2,072,490	2,188,955	2,133,986	54,969
Total Expenditures	51,226,561	55,424,119	51,848,624	3,575,495
Excess (deficiency) of revenues over (under) expenditures	(293,661)	(1,998,989)	3,497,961	5,496,950
Other financing sources (uses):				
Operating transfers out	(200,000)	(200,000)	(200,000)	-
Sale of captial assets	-	-	35,163	35,163
Total other financing sources (uses)	(200,000)	(200,000)	(164,837)	35,163
Net change in fund balance	$ (493,661)	$ (2,198,989)	3,333,124	$ 5,532,113
Fund balance, beginning, before restatement			19,893,122	
Restatement			(498,513)	
Fund balance, beginning, after restatement			19,394,609	
Fund balance, end of year			$ 22,727,733	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES FAND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SPLOST III CAPITAL PROJECTS FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	$ 11,500,000	$ 10,000,000	$ 9,985,666	$ (14,334)
Intergovernmental	-	-	4,522,400	4,522,400
Investment Income	-	60,000	85,495	25,495
Contributions	-	-	298,980	298,980
Total Revenues	11,500,000	10,060,000	14,892,541	4,832,541
Expenditures				
Public Safety				
Sheriff				
Capital Outlay	500,000	1,000,000	724,171	275,829
	500,000	1,000,000	724,171	275,829
Fire				
Capital Outlay	1,500,000	1,230,440	546,174	684,266
	1,500,000	1,230,440	546,174	684,266
Marshal				
Capital Outlay	-	-	25,573	(25,573)
	-	-	25,573	(25,573)
Emergency Telephone System				
Capital Outlay	200,000	200,000	183,847	16,153
	200,000	200,000	183,847	16,153
Total Public Safety	2,200,000	2,430,440	1,479,765	950,675
Public Works				
Roads, Highways and Bridges				
Capital Outlay	7,000,000	10,218,200	8,797,695	1,420,505
Total Public Works	7,000,000	10,218,200	8,797,695	1,420,505
Culture and Recreation				
Recreation				
Other Services and Charges	-	10,000	6,362	3,638
Capital Outlay	8,150,000	8,641,360	7,107,286	1,534,074
Total Culture and Recreation	8,150,000	8,651,360	7,113,648	1,537,712
Intergovernmental	-	1,000,000	998,566	1,434
Total expenditures	17,350,000	22,300,000	18,389,674	3,910,326
Net changes in fund balance	$ (5,850,000)	$ (12,240,000)	(3,497,133)	$ 8,742,867
Fund balance, beginning of year			24,365,611	
Fund balance, end of year			$ 20,868,478	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SPLOST IV CAPITAL PROJECTS FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 2,000,000	$ 2,000,000	$ 3,436,864	$ 1,436,864
Total Revenues	2,000,000	2,000,000	3,436,864	1,436,864
Expenditures				
Public Safety				
Fire				
Capital Outlay	369,560	369,560	-	369,560
	369,560	369,560	-	369,560
Total Public Safety	369,560	369,560	-	369,560
Public Works				
Roads, Highways and Bridges				
Capital Outlay	781,800	781,800	-	781,800
Total Public Works	781,800	781,800	-	781,800
Culture and Recreation				
Recreation				
Capital Outlay	348,640	348,640	-	348,640
Total Culture and Recreation	348,640	348,640	-	348,640
Housing and Development				
Economic Development				
Capital Outlay	-	-	2,524	(2,524)
Total Housing and Development	-	-	2,524	(2,524)
Intergovernmental	500,000	500,000	441,248	58,752
Total expenditures	2,000,000	2,000,000	443,772	1,556,228
Net change in fund balance	$ -	$ -	2,993,092	$ 2,993,092
Fund balance, beginning of year			-	
Fund balance, end of year			$ 2,993,092	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL PROJECTS FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ -	$ 6,000,000	$ 5,671,577	$ (328,423)
Investment Income	-	-	4,571	4,571
Total Revenues	-	6,000,000	5,676,148	(323,852)
Expenditures				
General Government				
Capital Outlay	-	100,000	62,397	37,603
Total General Government	-	100,000	62,397	37,603
Public Works				
Roads, Highways and Bridges				
Capital Outlay	-	6,000,000	4,325,160	1,674,840
Total Public Works	-	6,000,000	4,325,160	1,674,840
Culture and Recreation				
Libraries				
Capital Outlay	200,000	350,000	347,618	2,382
Total Culture and Recreation	200,000	350,000	347,618	2,382
Housing and Development				
Community Development				
Payment to Industrial Building Authority	-	-	466,830	(466,830)
Capital Outlay	-	-	99,000	(99,000)
	-	-	565,830	(565,830)
Airport				
Capital Outlay	1,000,000	1,000,000	583,841	416,159
Total Housing and Development	1,000,000	1,000,000	1,149,671	(149,671)
Total expenditures	1,200,000	7,450,000	5,884,846	1,565,154
Net change in fund balance	$ (1,200,000)	$ (1,450,000)	(208,698)	$ 1,241,302
Fund balance, beginning of year			2,432,400	
Fund balance, end of year			$ 2,223,702	

Non-Major Funds

Paulding County, Georgia

Non-major Governmental Funds

June 30, 2011

Special Revenue Funds

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes.

The **Victim Witness Fund** accounts for the five percent additional fee placed on fines and used for victim witness services.

The **Emergency 911 Fund** accounts for the fee collection and the operation of the Emergency 911 system within the County.

The **Jail Fund** accounts for a portion of fine money received from the court system and expended on inmate supplies and capital purchases.

The **Supplemental Juvenile Fund** accounts for a portion of fines within the juvenile court and expended on outside services within the juvenile court system.

The **Drug Use Treatment Fund** accounts for money received from the state. This fee is assessed every time a deed is purchased on-line. This money is expended on technology in the clerk of superior court's office.

The **Clerk's Technology Fund** accounts for money received from the state. This fee is assessed every time a deed is purchased on-line. This money is expended on technology in the clerk of superior court's office.

The **Law Library Fund** provides for the operation and maintenance of the County's law library.

The **Sheriff Commissary Fund** is used to account for the receipts and purchases inmates incur while they are incarcerated.

The **Drug Confiscation Fund** is used to account for the resources public safety officers confiscate during a drug charge and expensed in the fight against drugs.

Debt Service Fund

The debt service fund accounts for the servicing of general long-term debt not being financed by proprietary funds.

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2011

	Total Nonmajor Special Revenue	Debt Service	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 2,694,076	$ 1,322,987	$ 4,017,063
Receivables, net			
Property taxes	-	318,974	318,974
Other	299,564	-	299,564
Total assets	$ 2,993,640	$ 1,641,961	$ 4,635,601
Liabilities			
Accounts payable	$ 26,602	$ 2,000	$ 28,602
Due to other funds	4,635	48,587	53,222
Deferred revenue	-	277,811	277,811
Total liabilities	31,237	328,398	359,635
Fund Balances			
Restricted fund balance	2,795,431	1,313,563	4,108,994
Committed fund balance	166,972	-	166,972
Total fund balances	2,962,403	1,313,563	4,275,966
Total liabilities and fund balances	$ 2,993,640	$ 1,641,961	$ 4,635,601

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2011

	Total Nonmajor Special Revenue	Debt Service	Nonmajor Governmental Funds
Revenues			
Taxes	$ -	$ 6,423,127	$ 6,423,127
Charges for Services	2,554,299	-	2,554,299
Fines and Forfeitures	418,554	-	418,554
Investment Income	8,770	8,452	17,222
Total Revenues	2,981,623	6,431,579	9,413,202
Expenditures			
Current			
Judicial	333,995	-	333,995
Public Safety	2,513,600	-	2,513,600
Debt Service			
Principal retirement	-	2,395,000	2,395,000
Interest and fees	-	3,693,609	3,693,609
Total expenditures	2,847,595	6,088,609	8,936,204
Net change in fund balances	134,028	342,970	476,998
Fund balances, beginning, before restatement	2,828,375	1,059,728	3,888,103
Restatement	-	(89,135)	(89,135)
Fund balances, after restatement	2,962,403	970,593	3,798,968
Fund balances, end of year	$ 2,962,403	$ 1,313,563	$ 4,275,966

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue

COMBINING BALANCE SHEET

June 30, 2011

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confication	Total Non-Major Special Revenue
Assets										
Cash and cash equivalents	$ 89,629	$ 1,005,871	$ 700,822	$ 160,150	$ 53,243	$ 383,617	$ 105,934	$ 166,972	$ 27,838	$ 2,694,076
Receivables, net										
Other	-	276,738	19,542	-	3,284	-	-	-	-	299,564
Total assets	$ 89,629	$ 1,282,609	$ 720,364	$ 160,150	$ 56,527	$ 383,617	$ 105,934	$ 166,972	$ 27,838	$ 2,993,640
Liabilities										
Accounts payable	$ -	$ 24,042	$ 810	$ 1,150	$ -	$ 600	$ -	$ -	$ -	26,602
Due to other funds	-	4,618	17	-	-	-	-	-	-	4,635
Total liabilities	-	28,660	827	1,150	-	600	-	-	-	31,237
Fund Balances										
Restricted fund balance	89,629	1,253,949	719,537	159,000	56,527	383,017	105,934	-	27,838	2,795,431
Committed fund balance	-	-	-	-	-	-	-	166,972	-	166,972
Total fund balances	89,629	1,253,949	719,537	159,000	56,527	383,017	105,934	166,972	27,838	2,962,403
Total liabilities and fund balances	$ 89,629	$ 1,282,609	$ 720,364	$ 160,150	$ 56,527	$ 383,617	$ 105,934	$ 166,972	$ 27,838	$ 2,993,640

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2011

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confiscation	Total Non-major Special Revenue
Revenues										
Charges for Services	$ -	$ 2,009,711	$ -	$ -	$ 131,588	$ 108,146	$ 57,432	$ 247,422	$ -	$ 2,554,299
Fines and Forfeitures	127,428	-	230,573	32,870	-	-	-	-	27,683	418,554
Investment Income	-	4,703	2,331	486	163	1,087	-	-	-	8,770
Total Revenues	127,428	2,014,414	232,904	33,356	131,751	109,233	57,432	247,422	27,683	2,981,623
Expenditures										
Current										
Judicial	195,268	-	-	-	-	54,117	54,927	-	29,683	333,995
Public Safety	-	1,893,243	187,132	37,215	161,666	-	-	229,850	4,494	2,513,600
Total expenditures	195,268	1,893,243	187,132	37,215	161,666	54,117	54,927	229,850	34,177	2,847,595
Net change in fund balances	(67,840)	121,171	45,772	(3,859)	(29,915)	55,116	2,505	17,572	(6,494)	134,028
Fund balances, beginning of year	157,469	1,132,778	673,765	162,859	86,442	327,901	103,429	149,400	34,332	2,828,375
Fund balances, end of year	$ 89,629	$ 1,253,949	$ 719,537	$ 159,000	$ 56,527	$ 383,017	$ 105,934	$ 166,972	$ 27,838	$ 2,962,403

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
VICTIM WITNESS SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 20,000	$ 150,000	$ 127,428	$ (22,572)
Total Revenues	20,000	150,000	127,428	(22,572)
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	20,000	150,000	195,268	(45,268)
Total Judicial	20,000	150,000	195,268	(45,268)
Total expenditures	20,000	150,000	195,268	(45,268)
Net change in fund balance	$ -	$ -	(67,840)	$ (67,840)
Fund balance, beginning of year			157,469	
Fund balance, end of year			$ 89,629	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
E-911 SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 1,800,000	$ 1,800,000	$ 2,009,711	$ 209,711
Investment income	-	-	4,703	4,703
Total Revenues	1,800,000	1,800,000	2,014,414	214,414
Expenditures				
Public safety				
Emergency telephone system				
Personnel services	1,423,200	1,407,200	1,347,874	59,326
Other services and charges	529,300	545,300	545,369	(69)
Total expenditures	1,952,500	1,952,500	1,893,243	59,257
Net change in fund balance	$ (152,500)	$ (152,500)	121,171	$ 273,671
Fund balance, beginning of year			1,132,778	
Fund balance, end of year			$ 1,253,949	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
JAIL SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$ 95,000	$ 120,000	$ 230,573	$ 110,573
Investment Income	-	-	2,331	2,331
Total Revenues	95,000	120,000	232,904	112,904
Expenditures				
Public Safety				
Sheriff				
Other Services and Charges	-	60,000	43,031	16,969
Capital Outlay	95,000	190,000	144,101	45,899
Total expenditures	95,000	250,000	187,132	62,868
Net change in fund balance	$ -	$ (130,000)	45,772	$ 175,772
Fund balance, beginning of year			673,765	
Fund balance, end of year			$ 719,537	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SUPPLEMENTAL JUVENILE SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 10,000	$ 40,000	$ 32,870	$ (7,130)
Investment Income	-	-	486	486
Total Revenues	10,000	40,000	33,356	(6,644)
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	10,000	40,000	37,215	2,785
Total Public Safety	10,000	40,000	37,215	2,785
Total expenditures	10,000	40,000	37,215	2,785
Net change in fund balance	$ -	$ -	(3,859)	$ (3,859)
Fund balance, beginning of year			162,859	
Fund balance, end of year			$ 159,000	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DRUG USE TREATMENT SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 30,000	$ 175,000	$ 131,588	$ (43,412)
Investment Income	-	-	163	163
Total Revenues	30,000	175,000	131,751	(43,249)
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	30,000	175,000	161,666	13,334
Total Public Safety	30,000	175,000	161,666	13,334
Total expenditures	30,000	175,000	161,666	13,334
Net change in fund balance	$ -	$ -	(29,915)	$ (29,915)
Fund balance, beginning of year			86,442	
Fund balance, end of year			$ 56,527	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CLERK'S TECHNOLOGY SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenue				
Charges for Services	$ 15,000	$ 80,000	$ 108,146	$ 28,146
Investment Income	-	-	1,087	1,087
Total Revenues	15,000	80,000	109,233	29,233
Expenditures				
Judicial				
Clerk's Technology	15,000	80,000	54,117	25,883
Total Judicial	15,000	80,000	54,117	25,883
Total expenditures	15,000	80,000	54,117	25,883
Net change in fund balance	$ -	$ -	55,116	$ 55,116
Fund balance, beginning of year			327,901	
Fund balance, end of year			$ 383,017	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LAW LIBRARY SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 10,000	$ 10,000	$ 57,432	$ 47,432
Total Revenues	10,000	10,000	57,432	47,432
Expenditures				
Judicial				
Court's - other charges	10,000	10,000	54,927	(44,927)
Total Judicial	10,000	10,000	54,927	(44,927)
Total expenditures	10,000	10,000	54,927	(44,927)
Net change in fund balance	$ -	$ -	2,505	$ 2,505
Fund balance, beginning of year			103,429	
Fund balance, end of year			$ 105,934	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SHERIFF COMMISSARY SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 20,000	$ 350,000	$ 247,422	$ (102,578)
Total Revenues	20,000	350,000	247,422	(102,578)
Expenditures				
Public Safety				
Sheriff				
Commissary	20,000	350,000	229,850	120,150
Total Public Safety	20,000	350,000	229,850	120,150
Total expenditures	20,000	350,000	229,850	120,150
Net change in fund balance	$ -	$ -	17,572	$ 17,572
Fund balance, beginning of year			149,400	
Fund balance, end of year			$ 166,972	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DRUG CONFISCATION SPECIAL REVENUE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 10,000	$ 50,000	$ 27,683	$ (22,317)
Total Revenues	10,000	50,000	27,683	(22,317)
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	5,000	25,000	29,683	(4,683)
Total Judicial	5,000	25,000	29,683	(4,683)
Public Safety				
Sheriff				
Community Service program	5,000	25,000	4,494	20,506
Total Public Safety	5,000	25,000	4,494	20,506
Total expenditures	10,000	50,000	34,177	15,823
Net change in fund balance	$ -	$ -	(6,494)	$ (6,494)
Fund balance, beginning of year			34,332	
Fund balance, end of year			$ 27,838	

Paulding County, Georgia

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DEBT SERVICE FUND

Year ended June 30, 2011

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	$ 6,000,000	$ 6,200,000	$ 6,423,127	$ 223,127
Investment Income	-	-	8,452	8,452
Total Revenues	6,000,000	6,200,000	6,431,579	231,579
Expenditures				
Debt Service:				
Principal retirement	2,400,000	2,395,000	2,395,000	-
Interest and fees	3,800,000	3,805,000	3,693,609	111,391
	6,200,000	6,200,000	6,088,609	111,391
Total expenditures	6,200,000	6,200,000	6,088,609	111,391
Net change in fund balance	$ (200,000)	$ -	342,970	$ 342,970
Fund balance, beginning before restatement			1,059,728	
Restatement			(89,135)	
Fund balance, after restatement			970,593	
Fund balance, end of year			$ 1,313,563	

Paulding County, Georgia

Nonmajor Enterprise Funds
COMBINING STATEMENT OF NET ASSETS

June 30, 2011

	Solid Waste	DFACS Building	Totals
ASSETS			
Current Assets			
Cash	$ -	$ 221,134	$ 221,134
Accounts receivable, net	53,565	-	53,565
Total current assets	53,565	221,134	274,699
Noncurrent assets			
Capital assets			
Land	612,233	-	612,233
Plant and equipment	2,035,972	3,114,495	5,150,467
Less: accumulated depreciation	(1,646,014)	(720,224)	(2,366,238)
Total noncurrent assets	1,002,191	2,394,271	3,396,462
Total assets	1,055,756	2,615,405	3,671,161
LIABILITIES			
Current Liabilities			
Accounts payable	29,393	-	29,393
Accrued interest	-	3,932	3,932
Compensated Absences	11,403	-	11,403
Due to general fund	125,186	3,053	128,239
Current portion of loans payable	-	163,196	163,196
Current portion of post closure care costs	333,180	-	333,180
Total current liabilities	499,162	170,181	669,343
Long-Term Liabilities, net of current portion			
Loans payable	-	929,656	929,656
Post closure care costs	2,980,122	-	2,980,122
Total long-term liabilities	2,980,122	929,656	3,909,778
Total liabilities	3,479,284	1,099,837	4,579,121
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	1,002,191	1,301,419	2,303,610
Unrestricted	(3,425,719)	214,149	(3,211,570)
TOTAL NET ASSETS (DEFICIT)	$ (2,423,528)	$ 1,515,568	$ (907,960)

Paulding County, Georgia
Nonmajor Enterprise Funds
COMBINING STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS

For the year ended June 30, 2011

	Solid Waste	DFACS Building	Total
Operating revenues:			
Miscellaneous revenues	$ 7,325	$ -	$ 7,325
Landfill and recycling fees	734,956	-	734,956
Lease income	-	333,315	333,315
Total operating revenues	742,281	333,315	1,075,596
Operating expenses:			
Salaries and wages	116,934	-	116,934
Fringe benefits	35,038	-	35,038
Operating expenses	704,689	10,742	715,431
Depreciation	63,694	77,862	141,556
Total operating expenses	920,355	88,604	1,008,959
Operating income (loss)	(178,074)	244,711	66,637
Nonoperating revenues (expenses):			
Interest income	-	67	67
Interest expense	-	(56,738)	(56,738)
Total nonoperating revenue (expenses)	-	(56,671)	(56,671)
Transfer in	200,000	-	200,000
Change in net assets	21,926	188,040	209,966
Total net assets-beginning	(2,445,454)	1,327,528	(1,117,926)
Total net assets-ending	$ (2,423,528)	$ 1,515,568	$ (907,960)

Paulding County, Georgia
Nonmajor Enterprise Funds
COMBINING STATEMENT OF CASH FLOWS

For the year ended June 30, 2011

	Solid Waste	DFACS Building	Total
Cash flows from operating activities:			
Cash received from customer	$ 704,273	$ 333,315	$ 1,037,588
Cash payments for goods and services	(749,913)	(12,113)	(762,026)
Cash payments for employee services and fringe benefits	(154,360)	-	(154,360)
Net cash provided by (used in) operating activities	(200,000)	321,202	121,202
Cash flows from non-capital financing activities:			
Transfers in	200,000	-	200,000
Net cash provided by noncapital financing activities	200,000	-	200,000
Cash flows from capital and related financing activities:			
Principal paid on loans	-	(155,588)	(155,588)
Interest paid	-	(57,298)	(57,298)
Net cash used in capital and related financing activities	-	(212,886)	(212,886)
Cash flows from investing activities:			
Interest received on investments	-	67	67
Net cash provided by investing activities	-	67	67
Net increase in cash and cash equivalents	-	108,383	108,383
Cash and cash equivalents, July 1	$ -	$ 112,751	$ 112,751
Cash and cash equivalents, June 30	$ -	$ 221,134	$ 221,134
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (178,074)	$ 244,711	$ 66,637
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	63,694	77,862	141,556
(Increase) in accounts receivable	(38,008)	-	(38,008)
(Decrease) in accounts payable	(17,068)	-	(17,068)
(Decrease) in compensated absences payable	(2,388)	-	(2,388)
(Decrease) in due to other funds	(125,619)	(1,371)	(126,990)
Increase in post closure care costs	97,463	-	97,463
Total adjustments	(21,926)	76,491	54,565
Net cash provided (used) by operating activities	$ (200,000)	$ 321,202	$ 121,202

Fiduciary Funds

Paulding County, Georgia

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

June 30, 2011

ASSETS

	Agency Funds					
	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Judge	Court Administration	Total
Assets						
Cash and cash equivalents	$ 457,212	$ 1,151,751	$ 122,880	$ 107,405	$ 14,437	$ 1,853,685
Taxes receivable (net)	3,638,304	-	-	-	-	3,638,304
	$ 4,095,516	$ 1,151,751	$ 122,880	$ 107,405	$ 14,437	$ 5,491,989

LIABILITIES

Liabilities						
Due to others	$ 4,095,516	$ 1,151,751	$ 122,880	$ 107,405	$ 14,437	$ 5,491,989
Total liabilities	$ 4,095,516	$ 1,151,751	$ 122,880	$ 107,405	$ 14,437	$ 5,491,989

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2011

	June 30, 2010	Additions	Deductions	Eliminations	June 30, 2011
Tax Commissioner					
ASSETS					
Cash	$ 1,072,995	$ 115,872,497	$ 116,247,095	$ 241,185	$ 457,212
Taxes Receivable (Net)	3,408,179	97,811,105	97,580,980	-	3,638,304
Total Assets	$ 4,481,174	$ 213,683,602	$ 213,828,075	$ 241,185	$ 4,095,516
LIABILITIES					
Due to Others	$ 4,481,174	$ 213,683,602	$ 213,828,075	$ 241,185	$ 4,095,516
Total Liabilities	$ 4,481,174	$ 213,683,602	$ 213,828,075	$ 241,185	$ 4,095,516
Clerk of Superior Court					
ASSETS					
Cash	$ 1,263,789	$ 7,174,116	$ 7,113,749	$ 172,405	$ 1,151,751
Total Assets	$ 1,263,789	$ 7,174,116	$ 7,113,749	$ 172,405	$ 1,151,751
LIABILITIES					
Due to Others	$ 1,263,789	$ 7,174,116	$ 7,113,749	$ 172,405	$ 1,151,751
Total Liabilities	$ 1,263,789	$ 7,174,116	$ 7,113,749	$ 172,405	$ 1,151,751
Sheriff					
ASSETS					
Cash	$ 31,851	$ 973,654	$ 870,842	$ 11,783	$ 122,880
Total Assets	$ 31,851	$ 973,654	$ 870,842	$ 11,783	$ 122,880
LIABILITIES					
Due to Others	$ 31,851	$ 973,654	$ 870,842	$ 11,783	$ 122,880
Total Liabilities	$ 31,851	$ 973,654	$ 870,842	$ 11,783	$ 122,880

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2011

	June 30, 2010	Additions	Deductions	Eliminations	June 30, 2011
Probate Judge					
ASSETS					
Cash	$ 141,602	$ 1,970,523	$ 1,920,261	$ 84,459	$ 107,405
Total Assets	$ 141,602	$ 1,970,523	$ 1,920,261	$ 84,459	$ 107,405
LIABILITIES					
Due to Others	$ 141,602	$ 1,970,523	$ 1,920,261	$ 84,459	$ 107,405
Total Liabilities	$ 141,602	$ 1,970,523	$ 1,920,261	$ 84,459	$ 107,405
Court Administration					
ASSETS					
Cash	$ 10,753	$ 643,035	$ 604,836	$ 34,515	$ 14,437
Total Assets	$ 10,753	$ 643,035	$ 604,836	$ 34,515	$ 14,437
LIABILITIES					
Due to Others	$ 10,753	$ 643,035	$ 604,836	$ 34,515	$ 14,437
	$ 10,753	$ 643,035	$ 604,836	$ 34,515	$ 14,437
Totals					
ASSETS					
Cash	$ 2,520,990	$ 126,633,825	$ 126,756,783	$ 544,347	$ 1,853,685
Taxes Receivable (net)	3,408,179	97,811,105	97,580,980	-	3,638,304
Total Assets	$ 5,929,169	$ 224,444,930	$ 224,337,763	$ 544,347	$ 5,491,989
LIABILITIES					
Due to Others	$ 5,929,169	$ 224,444,930	$ 224,337,763	$ 544,347	$ 5,491,989
Total Liabilities	$ 5,929,169	$ 224,444,930	$ 224,337,763	$ 544,347	$ 5,491,989

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX III EXPENDITURES

For the Year Ended June 30, 2011

	Original Budgeted Cost	Expenditures Prior Years	Expenditures Current Year	Total
Roads, streets and bridges	$ 40,500,000	$ 28,936,746	$ 4,086,991	$ 33,023,737
Public Safety and Fire Protection Facilities and Equipment	12,150,000	7,701,786	1,479,765	9,181,551
Recreation	28,350,000	11,018,285	7,002,971	18,021,256
	81,000,000	47,656,817	12,569,727	60,226,544
Cities				
Dallas Projects	5,580,000	3,584,969	619,111	4,204,080
Hiram Projects	3,420,000	2,197,239	379,455	2,576,694
Total City Projects	9,000,000	5,782,208	998,566	6,780,774
Total SPLOST Projects	$ 90,000,000	$ 53,439,025	$ 13,568,293	$ 67,007,318
Non-SPLOST expenditures*				
Roads, streets and bridges	$ -	$ -	$ 4,710,704	$ 4,710,704
Public Safety and Fire Protection Facilities and Equipment	-	-	-	-
Recreation	-	-	110,677	110,677
	-	-	4,821,381	4,821,381
Total Projects	$ 90,000,000	$ 53,439,025	$ 18,389,674	$ 71,828,699

*Paulding County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:

State Department of Transportation	$ 4,255,000
City of Dallas	216,400
U.S. Department of Energy	51,000
Governor's Emergency Management Agency	59,677
Developers	239,304
	$ 4,821,381

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX IV EXPENDITURES

For the Year Ended June 30, 2011

	Original Budgeted Cost	Expenditures		Total
		Prior Years	Current Year	
Roads, streets and bridges	$ 47,528,348	$ -	$ -	$ -
Public Safety and Fire Protection Facilities and Equipment	17,554,024	-	-	-
Recreation	16,560,400	-	-	-
Economic Development: Fiber Optic Communications	1,159,228	-	2,524	2,524
	82,802,000	-	2,524	2,524
Cities				
Dallas Projects	6,840,000	-	247,429	247,429
Hiram Projects	5,358,000	-	193,819	193,819
Total City Projects	12,198,000	-	441,248	441,248
Total SPLOST Projects	$ 95,000,000	$ -	$ 443,772	$ 443,772

III. Statistical Section
(Unaudited)

This part of Paulding County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures and required supplementary information says about the County's overall financial health.

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These schedules offer demographic and economic indicators to help readers understand how the information in the County's financial report relates to the services the County provides and the activities that take place. 117

Operating Information
These schedules contain service and infrastructure data to help readers understand how the information in the County's financial report relates to the services the County provides and the activities it performs. 119

Except where noted, the information in these schedules is derived from Paulding County's comprehensive annual financial reports for the relevant year. Paulding County implemented GASB 34 in 2003; schedules presenting Government-wide information include information beginning that year.

Paulding County, Georgia
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	$ 45,205	$ 54,473	$ 77,908	$ 239,623	$ 269,376	$ 286,905	$ 297,040	$ 309,392
Restricted	15,793	12,633	17,220	17,663	24,221	31,811	33,746	33,998
Unrestricted	19,468	24,749	21,276	20,858	19,522	18,027	20,674	24,187
Total governmental activities net assets	$ 80,466	$ 91,855	$ 116,404	$ 278,144	$ 313,119	$ 336,743	$ 351,460	$ 367,577
Business-type activities								
Invested in capital assets, net of related debt	$ 49,185	$ 66,389	$ 76,138	$ 98,506	$ 114,514	$ 121,465	$ 110,792	$ 110,693
Restricted	11,370	5,510	9,743	29,199	28,721	19,904	18,497	20,760
Unrestricted	526	942	6,716	4,201	521	2,562	6,885	5,811
Total business-type activities net assets	$ 61,081	$ 72,841	$ 92,597	$ 131,906	$ 143,756	$ 143,931	$ 136,174	$ 137,264
Primary government								
Invested in capital assets, net of related debt	$ 94,390	$ 120,862	$ 154,046	$ 338,129	$ 383,890	$ 408,370	$ 407,832	$ 420,085
Restricted	27,163	18,143	26,963	46,862	52,942	51,715	52,243	54,758
Unrestricted	19,994	25,691	27,992	25,059	20,043	20,589	27,559	29,998
Total primary government net assets	$ 141,547	$ 164,696	$ 209,001	$ 410,050	$ 456,875	$ 480,674	$ 487,634	$ 504,841
Restatements	$ 417	$ 998	$ 116,368	$ -	$ -	$ (6,370)	$ 1,208	$ -
Total primary government net assets, after restatements	$ 141,964	$ 165,694	$ 325,369	$ 410,050	$ 456,875	$ 474,304	$ 488,842	$ 504,841

Paulding County, Georgia
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
Expenses	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
General government	$ 7,831,468	$ 9,062,764	$ 9,343,597	$ 11,096,377	$ 11,875,723	$ 15,134,639	$ 14,098,539	$ 13,857,914
Judicial	3,385,934	4,095,758	4,320,100	4,863,031	5,001,704	5,287,183	5,151,644	5,110,368
Public safety	19,227,416	21,436,109	23,427,824	25,601,124	28,693,906	28,967,134	29,170,128	30,212,938
Public works	8,722,082	9,925,287	9,392,493	16,193,950	17,492,423	17,090,062	18,418,050	18,359,434
Culture and recreation	2,891,694	3,446,722	2,991,162	3,334,112	3,695,956	3,349,656	3,408,073	3,575,759
Health and welfare	1,144,331	803,914	1,501,053	1,557,815	1,933,974	1,811,145	1,914,298	1,902,239
Housing and development	2,159,040	1,996,937	2,254,306	2,679,322	2,651,121	2,233,494	2,835,188	3,373,239
Interest on long term debt	657,092	510,900	418,515	1,004,685	4,075,876	3,915,011	3,685,045	3,174,633
Intergovernmental	-	-	-	-	-	-	4,056,291	-
Total governmental activities expenses	46,019,057	51,278,391	53,649,050	66,330,416	75,420,683	77,788,324	82,737,256	79,566,524
Business-type activities:								
Water and sewer	11,996,637	13,158,358	14,959,326	17,177,349	18,265,107	20,444,230	22,764,941	23,625,349
DFACS facility lease	180,063	163,367	164,911	159,522	182,939	160,480	149,806	145,342
Landfill	637,634	601,953	615,454	710,594	871,377	2,906,377	918,100	920,355
Total business-type activities expense	12,814,334	13,923,678	15,739,691	18,047,465	19,319,423	23,511,087	23,832,847	24,691,046
Total primary government expense	$ 58,833,391	$ 65,202,069	$ 69,388,741	$ 84,377,881	$ 94,740,106	$ 101,299,411	$ 106,570,103	$ 104,257,570
Program Revenues								
Governmental activities:								
Charges for services								
General government	$ 1,249,123	$ 2,121,399	$ 1,912,519	$ 2,145,429	$ 2,759,231	$ 3,033,474	$ 2,397,118	$ 2,132,286
Judicial	2,514,056	2,633,915	2,666,957	2,581,006	3,039,953	3,201,439	3,492,115	3,403,827
Public safety	1,757,708	1,813,689	2,258,208	2,349,050	2,317,901	2,312,619	3,502,410	3,074,576
Public works	-	-	-	-	1,061,657	1,021,306	1,069,047	1,181,796
Housing and development	2,614,054	2,643,806	3,152,666	2,833,646	1,377,107	713,609	444,926	269,317
Other activities	945,817	1,070,636	1,121,734	1,283,062	340,607	352,270	344,837	372,423
Operating grants and contributions	764,889	1,091,666	386,169	713,552	889,127	1,311,103	455,452	726,533
Capital grants and contributions	8,245,120	2,422,398	9,406,949	36,593,097	24,208,239	19,614,453	9,599,840	11,522,537
Total governmental activities program revenues	$ 18,090,767	$ 13,797,509	$ 20,905,202	$ 48,498,842	$ 35,993,822	$ 31,560,273	$ 21,305,745	$ 22,683,295

Paulding County, Georgia
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
(continued)

General Revenues and Other Changes in Net Assets	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services								
Water and sewer	$ 12,780,375	$ 14,150,803	$ 19,525,966	$ 21,662,705	$ 19,658,416	$ 20,393,240	$ 21,961,696	$ 23,586,071
DFACS facility lease	322,645	322,644	322,644	322,644	332,499	332,499	332,876	333,315
Landfill	593,213	606,816	535,276	640,178	644,878	683,249	762,270	742,281
Capital grants and contributions	6,159,964	10,812,784	13,206,548	32,825,777	8,608,437	1,331,978	1,731,329	836,962
Total business-type activities program revenues	19,856,197	25,893,047	33,590,434	55,451,304	29,244,230	22,740,966	24,788,171	25,498,629
Total primary government program revenues	$ 37,946,964	$ 39,690,556	$ 54,495,636	$ 103,950,146	$ 65,238,052	$ 54,301,239	$ 46,093,916	$ 48,181,924
Net (expense)/revenue								
Governmental activities:	$ (27,928,290)	$ (37,480,882)	$ (32,743,848)	$ (17,831,574)	$ (39,426,861)	$ (46,228,051)	$ (61,431,511)	$ (56,883,229)
Business-type activities:	7,041,863	11,969,369	17,850,743	37,403,839	9,924,807	(770,121)	955,324	807,583
Total primary government net expense	$ (20,886,427)	$ (25,511,513)	$ (14,893,105)	$ 19,572,265	$ (29,502,054)	$ (46,998,172)	$ (60,476,187)	$ (56,075,646)
Governmental activities:								
Taxes								
Property taxes, levied for general purposes	$ 16,261,371	$ 18,263,710	$ 21,023,731	$ 25,979,193	$ 28,159,043	$ 29,311,208	$ 28,174,129	$ 27,199,533
Property taxes, levied for debt service	1,615,925	1,808,657	1,602,183	853,526	2,033,312	2,129,805	6,221,571	6,340,442
Property taxes, levied for fire service	-	-	-	-	7,780,368	8,382,153	7,833,792	6,922,416
Intangible recording tax	1,320,102	1,402,596	1,805,890	1,725,334	1,260,788	961,019	658,540	618,349
Local option sales tax	9,848,792	10,716,271	12,761,229	13,442,680	12,978,324	11,523,617	11,624,716	11,700,037
Special local option sales tax	11,307,633	11,920,127	13,014,782	13,828,416	13,344,404	11,745,254	13,506,950	13,422,530
Insurance premium tax	2,867,634	3,102,836	3,322,710	3,472,394	3,651,265	3,740,263	3,686,633	3,585,518
Alcoholic beverage tax	365,502	407,461	445,758	485,651	527,919	620,450	664,404	669,278
Cable TV franchise tax	515,871	573,248	642,489	765,247	845,204	944,382	1,016,474	1,047,225
Real estate transfer tax	271,777	294,327	714,825	623,254	280,516	211,081	111,904	95,218
Business tax	-	-	-	-	-	-	-	292,780
Interest earned on investments	254,473	381,469	954,267	2,090,528	3,591,790	781,676	193,452	96,630
Miscellaneous	310,921	-	56,444	6,696	-	-	-	2,408
Transfers	(50,000)	-	(50,000)	(50,000)	(50,000)	(500,000)	2,455,595	(200,000)
Total governmental activities	44,890,001	48,870,702	56,294,308	63,202,919	74,402,933	69,850,908	76,148,160	71,792,364
Business-type activities	258,625	370,696	907,825	1,904,681	1,924,851	445,117	(2,342,023)	281,978
Total primary government	$ 45,148,626	$ 49,241,398	$ 57,202,133	$ 65,107,600	$ 76,327,784	$ 70,296,025	$ 73,806,137	$ 72,074,342
Changes in Net Assets								
Governmental activities	$ 16,961,711	$ 11,389,820	$ 23,550,460	$ 45,371,345	$ 34,976,072	$ 23,622,857	$ 14,716,649	$ 14,909,136
Business-type activities	7,300,488	12,340,065	18,758,568	39,308,520	11,849,658	(325,004)	(1,386,699)	1,089,561
Total primary government	$ 24,262,199	$ 23,729,885	$ 42,309,028	$ 84,679,865	$ 46,825,730	$ 23,297,853	$ 13,329,950	$ 15,998,697

Paulding County, Georgia
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Non-Spendable fund balance	$ 285,889	$ 347,427	$ 405,981	$ 382,557	$ 403,708	$ 403,053	$ 433,881	$ 348,125	$ 328,649	$ 369,532
Restricted										351,717
Assigned	2,015,719	522,940	262,713	115,338	463,458	635,774	879,252	724,505	3,094,255	3,647,117
Unassigned	10,335,219	13,543,678	16,758,671	19,327,190	21,651,314	22,496,280	20,098,938	15,849,241	16,470,220	18,359,367
Total General Fund	$ 12,636,827	$ 14,414,045	$ 17,427,365	$ 19,824,865	$ 22,518,480	$ 23,535,107	$ 21,412,071	$ 16,921,669	$ 19,893,122	$ 22,727,735
All other governmental funds										
Restricted fund balance	10,276,293	10,216,625	13,081,093	13,046,863	14,063,977	17,058,465	23,872,353	30,142,577	31,947,797	35,488,805
Committed fund balance	-	-	-	-	-	-	-	-	-	166,972
Assigned fund balance	4,197,253	6,131,283	3,771,240	4,719,282	1,725,316	79,428,819	25,058,539	4,974,557	5,153,393	733,069
Total all other governmental funds	$ 14,473,546	$ 16,347,908	$ 16,852,333	$ 17,766,145	$ 15,789,293	$ 96,487,284	$ 48,930,892	$ 35,117,134	$ 37,101,190	$ 36,388,846

*Paulding County implemented GASB 54 in 2011

Paulding County, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$ 35,420,221	$ 39,828,216	$ 44,364,142	$ 48,804,275	$ 55,621,506	$ 61,402,456	$ 71,139,378	$ 69,425,275	$ 73,507,364	$ 71,902,947
Licenses and permits	1,531,541	1,475,535	1,755,005	1,615,642	1,770,807	1,684,058	827,043	418,666	314,199	396,477
Intergovernmental*	1,020,310	798,405	1,934,291	1,651,988	1,502,209	10,503,875	12,539,098	17,994,489	7,556,746	12,863,115
Charges for services	5,248,005	5,894,457	6,481,638	7,033,626	7,830,328	7,922,743	7,732,736	7,507,272	7,949,596	7,721,805
Fines and forfeitures	461,091	685,827	844,115	1,037,912	931,095	929,701	1,429,305	1,870,675	2,177,006	1,916,401
Investment earnings	-	352,582	254,473	381,469	954,266	2,056,682	3,591,789	781,674	193,451	182,125
Contributions and donations	-	5,150	4,296	332,477	38,527	48,479	1,253,773	881,872	469,124	596,635
Miscellaneous	1,454,401	173,240	306,625	292,751	226,527	320,787	525,657	442,094	544,246	314,047
Total revenues	45,135,569	49,213,412	55,944,585	61,150,140	68,875,265	84,868,781	99,038,779	99,322,017	92,711,732	95,893,552
Expenditures										
General government	6,331,314	6,850,243	7,879,378	8,563,229	8,702,356	10,774,513	11,285,677	11,081,126	11,207,834	11,256,783
Judicial	2,582,172	3,101,031	3,375,646	3,795,098	4,131,459	4,677,542	4,850,252	5,171,580	5,045,118	5,008,761
Public Safety	14,929,329	16,355,982	18,455,258	21,994,854	21,964,695	24,469,922	27,502,036	27,550,200	27,534,354	28,182,770
Public works	6,524,657	6,851,371	7,902,063	10,318,124	9,051,348	12,569,722	12,284,573	11,454,071	12,479,067	10,695,703
Health and welfare	953,526	1,108,787	1,109,308	1,032,710	1,003,547	1,116,516	1,420,336	1,745,749	1,858,875	1,856,781
Culture and recreation	2,174,855	2,506,775	2,543,922	3,841,978	2,969,136	3,315,581	3,683,992	2,837,411	2,820,172	2,866,307
Housing and development	1,321,043	1,535,267	2,041,402	1,864,774	2,235,320	2,699,848	3,446,918	3,040,188	2,073,949	2,600,816
Capital outlay	8,096,408	4,393,118	6,264,550	3,633,531	16,542,982	24,834,462	78,418,236	47,761,495	19,150,903	22,910,133
Debt service										
Principal	1,865,826	1,965,959	2,082,434	2,274,315	1,077,163	700,000	1,935,000	2,450,000	2,545,000	2,395,000
Interest	972,964	868,299	722,878	520,215	430,496	405,656	3,181,795	4,034,357	3,860,850	3,693,609
Issuance costs	-	-	-	-	-	1,107,269	-	-	138,064	-
Intergovernmental	-	-	-	-	-	-	-	-	1,350,696	1,439,814
Total expenditures	45,752,094	45,536,832	52,376,839	57,838,828	68,108,502	86,671,031	148,008,815	117,126,177	90,064,882	92,906,477
Excess of revenues over (under) expenditures	(616,525)	3,676,580	3,567,746	3,311,312	766,763	(1,802,250)	(48,970,036)	(17,804,160)	2,646,850	2,987,075
Other financing sources (uses)										
Transfers in	2,265,000	2,540,529	145,500	3,555,500	3,925,600	3,738,506	7,860,275	6,960,000	4,990,595	-
Transfers out	(2,315,000)	(2,565,529)	(195,500)	(3,555,500)	(3,975,600)	(3,788,506)	(6,172,500)	(7,460,000)	(2,535,000)	(200,000)
Refunding bonds issued	-	-	5,029,800	-	-	-	-	-	5,129,938	-
Bonds issued	-	-	-	-	-	79,885,000	-	-	-	-
Premium on bonds issued	-	-	-	-	-	3,681,868	-	-	-	-
Payments to refunded bond escrow agent	-	-	(5,029,800)	-	-	-	-	-	(5,276,874)	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	35,163
Total other financing sources (uses)	(50,000)	(25,000)	(50,000)	-	(50,000)	83,516,868	1,687,775	(500,000)	2,308,659	(164,837)
Beginning fund balance **	37,621	-	-	-	-	-	-	-	-	-
Net change in fund balances	(628,904)	3,651,580	3,517,746	3,311,312	716,763	81,714,618	(47,282,261)	(18,304,160)	4,955,509	2,822,238
Debt service as a percentage of noncapital expenditures	7.78%	6.98%	6.18%	5.67%	2.99%	3.70%	7.47%	10.31%	10.38%	8.62%

* Intergovernmental revenue varies according to the grants received.
** Included an additional special revenue fund with a beginning fund balance of $37,621.
Included amounts paid to the cities as in intergovernmental expense.

Paulding County, Georgia
Assessed and Estimated Actual Value of Taxable Property
Last Teu Fiscal Years
(in thousands)

Digest Year	Real Property	Privately Owned Public Utilities	Personal and Business	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2001	$ 1,367,336	$ 44,395	$ 357,251	$ 1,768,982	7.35	$ 4,422,455
2002	1,902,720	43,840	302,562	2,249,122	7.10	5,622,805
2003	2,179,273	50,409	306,226	2,535,908	7.10	6,339,770
2004	2,192,982	53,121	600,393	2,846,496	7.10	7,116,240
2005	2,548,274	55,928	654,582	3,258,784	7.00	8,146,960
2006	3,087,834	63,713	724,521	3,876,067	7.00	9,690,168
2007	3,451,495	69,459	825,885	4,346,839	9.00	10,867,098
2008	3,622,563	78,043	886,331	4,586,937	9.00	11,467,343
2009	3,334,739	81,707	906,124	4,322,570	10.25	10,806,425
2010	2,660,186	88,174	838,063	3,586,423	11.47	8,966,058

Source: Paulding County Tax Assessors

Note: Property in the county is reassessed annually. The County assesses property at approximately 40 percent of actual value.

A regular $2,000 Homestead Exemption is allowed on all owner-occupied homes except for purposes of bond tax levies. A special $4,000 Homestead Exemption (from all State and County ad valorem taxes) is allowed on owner-occupied residences of persons who meet age and income requirements. A special $10,000 Homestead Exemption is allowed on owner-occupied residences of persons who meet age and income requirements. This exemption applies to all Paulding County school ad valorem taxes except to pay interest on and retire bond indebtedness. Other special exemptions apply as to school ad valorem taxes based on age and income levels which entitle the taxpayer to credits of 50% to 100% of the tax due.

Note: In 2009 Paulding County's property digest began to decline due to the housing market.

Paulding County, Georgia
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	Paulding County					Overlapping Rates						
						Board of Education						
Digest Year	Operating Millage Incorporated	Operating Millage Unincorporated	Debt Service Millage	Fire Tax Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	City of Dallas	City of Hiram	Total Direct & Overlapping Rates
2001	6.702	6.70	0.65	0.00	7.35	18.90	1.40	20.30	0.25	2.00	-	29.90
2002	6.50	6.50	0.60	0.00	7.10	17.29	1.18	18.47	0.25	2.00	-	27.82
2003	6.50	6.50	0.60	0.00	7.10	16.41	1.12	17.53	0.25	3.00	-	27.88
2004	6.50	6.50	0.60	0.00	7.10	16.41	1.12	17.53	0.25	3.19	-	28.07
2005	6.50	6.50	0.50	0.00	7.00	16.41	1.12	17.53	0.25	3.14	-	27.92
2006	6.80	6.80	0.20	0.00	7.00	16.41	0.56	16.97	0.25	3.79	-	28.01
2007	6.50	6.50	0.50	2.00	9.00	18.91	2.08	20.99	0.25	3.79	-	34.03
2008	6.50	6.50	0.50	2.00	9.00	18.91	2.96	21.87	0.25	3.79	-	34.91
2009	6.65	6.65	1.60	2.00	10.25	18.91	2.96	21.87	0.25	3.79	-	36.16
2010	7.60	7.60	1.87	2.00	11.47	18.91	2.96	21.87	0.25	3.79	-	37.38

Source: Paulding County Board of Commissioners Minutes

Paulding County, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2011

	2011			2002		
Taxpayer	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	$ 910,364	1	2.64%	322,588	1	2.91%
City of Atlanta	448,640	3	1.30%	141,963	8	1.28%
Jones Co. Ltd.	489,817	2	1.42%	297,040	2	2.68%
Temco Associates	320,416	6	0.93%			
DDRTC Hiram Pavilion	385,670	4	1.12%			
BellSouth	318,170	7	0.92%	260,661	4	2.35%
Suntrust Bank	258,947	9	0.75%			
Norfolk Southern	333,856	5	0.97%			
MRP Paulding LLC	243,921	10	0.71%			
Henry Hirsch				204,789	5	1.85%
Wal-Mart				193,088	6	1.74%
Merchant's Court				136,953	9	1.23%
Inland Container				274,530	3	2.47%
Atlanta Gas Light				145,396	7	1.31%
Georgia Power Company	$ 266,331	8	0.77%	136,023	10	1.23%

Source: Paulding County Tax Commissioner

Paulding County, Georgia
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Total Collections as Percent of Current Levy
2002	$ 11,096,179	$ 10,571,129	95.27%	$ 522,825	$ 11,093,954	99.98%
2003	13,720,440	13,686,074	99.75%	28,393	13,714,467	99.96%
2004	15,535,300	15,522,199	99.92%	13,101	15,535,300	100.00%
2005	17,430,040	17,040,577	97.77%	389,463	17,430,040	100.00%
2006	19,306,000	18,580,842	96.24%	725,158	19,306,000	100.00%
2007	24,891,000	24,205,505	97.25%	649,495	24,855,000	99.86%
2008	36,780,000	34,836,405	94.72%	926,346	35,762,751	97.23%
2009	38,747,703	36,369,822	93.86%	796,316	37,166,138	95.92%
2010	37,490,235	35,775,796	95.43%	926,346	36,702,142	97.90%
2011	34,483,322	33,174,644	96.20%	-	33,174,644	96.20%

Source: Paulding County Tax Commissioner

Paulding County, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business-Type Activities			Total	Percentage	
Fiscal Year	General Obligation Bonds	Installment Note	Revenue Bonds	Loans Payable	Installment Note	Primary Government	of Personal Income	Per Capita
2002	$ 11,910,000	$ 5,109,871	$ 32,760,000	$ 1,191,871	$ 2,453,950	$ 53,425,692	2.51%	$ 589
2003	11,420,000	3,633,912	31,725,000	1,078,879	2,305,873	50,163,664	2.27%	533
2004	11,020,000	2,071,478	30,645,000	958,937	2,151,923	46,847,338	1.99%	462
2005	10,400,000	417,163	43,200,000	831,616	1,991,867	56,840,646	2.31%	536
2006	9,740,000	-	41,555,000	713,015	1,825,465	53,833,480	2.04%	480
2007	88,925,000	-	39,785,000	570,605	1,670,037	130,950,642	4.60%	1,053
2008	86,990,000	-	37,930,000	419,435	1,537,266	126,876,701	4.42%	994
2009	84,540,000	-	51,730,000	258,966	1,396,653	137,925,619	4.79%	1,416
2010	81,780,000	-	48,455,000	6,829,724	1,248,440	138,313,164	3.52%	1,140
2011	79,385,000	-	42,595,000	6,438,771	1,092,852	129,511,623	2.71%	910

Note: Details regarding the County's debt can be found in the notes to the financial statements.
See the Demographic Statistics for personal income and population data.

Paulding County, Government
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (thousands)	Gross Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of net bonded Debt to Assessed Value	Net Bonded Debt per Capita
2002	94,184	$ 1,768,982	$ 11,910,000	$ 180,821	$ 11,729,179	0.66%	$ 124.53
2003	100,071	2,249,122	11,420,000	493,971	10,926,029	0.49%	109.18
2004	106,075	2,535,908	11,020,000	1,043,272	9,976,728	0.39%	94.05
2005	113,807	2,846,496	10,400,000	1,796,736	8,603,264	0.30%	75.60
2006	120,841	3,258,784	9,740,000	2,469,702	7,270,298	0.22%	60.16
2007	125,351	3,876,067	88,925,000	2,472,717	86,452,283	2.23%	689.68
2008	127,906	4,346,839	86,990,000	1,285,973	85,704,027	1.97%	670.05
2009	133,135	4,586,937	84,540,000	1,275,280	83,264,720	1.82%	625.42
2010	136,655	4,322,570	81,780,000	1,059,728	80,720,272	1.87%	590.69
2011	142,324	3,586,423	79,385,000	1,313,563	78,071,437	2.18%	548.55

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

Paulding County, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	Debt Outstanding	Estimated* Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
General Obligation Bonds	79,385,000	100%	79,385,000
Total Direct	79,385,000		79,385,000
Overlapping:			
Paulding County School District:			
General Obligation Bonds	141,015,000	90%	126,913,500
Capital Leases	1,642,471	90%	1,478,224
City of Dallas			
Intergovernmental Contracts	6,445,000	6%	386,700
GEFA Loans	4,444,096	6%	266,646
Total Overlapping:	153,546,567		129,045,071
Total Direct and Overlapping	232,931,567		$ 208,430,071

* Estimated percentage applicable is calculated based on assessed property value.

Paulding County, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value of Property	$ 1,768,982,297	$ 2,249,122,484	$ 2,535,908,102	$ 2,846,496,068	$ 3,258,783,875	$ 3,876,066,965	$ 4,346,838,804	$ 4,586,936,931	$ 4,322,569,651	$ 3,586,423,135
Less: Special Homestead Exemption	(71,431,979)	(92,282,542)	(92,527,953)	(111,461,844)	(144,164,352)	(188,576,783)	(201,769,303)	(219,424,316)	(220,206,684)	(188,756,893)
Exempt of all County Taxes and Freeport	-	-	-	-	-	-	-	-	-	-
Assessed Value for Bond Purposes	$ 1,697,550,318	$ 2,156,839,942	$ 2,443,380,149	$ 2,735,034,224	$ 3,114,619,523	$ 3,687,490,182	$ 4,145,069,501	$ 4,367,512,615	$ 4,102,362,967	$ 3,397,666,242
Debt Limit - 10% of Assessed Value	$ 169,755,032	$ 215,683,994	$ 244,338,015	$ 273,503,422	$ 311,461,952	$ 368,749,018	$ 414,506,950	$ 436,751,262	$ 410,236,297	$ 339,766,624
Amount of Debt Applicable to Debt Limit:										
Total Long-Term Debt	$ 11,910,000	$ 11,420,000	$ 11,020,000	$ 10,400,000	$ 9,740,000	$ 88,925,000	$ 86,990,000	$ 84,540,000	$ 81,780,000	$ 79,385,000
Less: Available in Debt Service Fund	(180,821)	(493,971)	(1,043,272)	(1,796,736)	(2,469,702)	(2,472,717)	(1,285,973)	(1,275,280)	(1,059,728)	(1,313,563)
Total Amount Applicable to Debt Limit	$ 11,729,179	$ 10,926,029	$ 9,976,728	$ 8,603,264	$ 7,270,298	$ 86,452,283	$ 85,704,027	$ 83,264,720	$ 80,720,272	$ 78,071,437
Legal Debt Margin	$ 158,025,853	$ 204,757,965	$ 234,361,287	$ 264,900,158	$ 304,191,654	$ 282,296,735	$ 328,802,923	$ 353,486,542	$ 329,516,025	$ 261,695,187
Total net debt applicable to the limit as a percentage of debt limit	6.91%	5.07%	4.08%	3.15%	2.33%	23.44%	20.68%	19.06%	19.68%	22.98%

NOTE:

The Constitutional debt limit for direct general obligation tax bonds which may be issued by the Commissioners of Paulding County is 10% of the assessed valuation of taxable property within the County.

Paulding County, Georgia
Revenue Bond Coverage
Water and Sewer Department
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Services	Debt Service Requirements (2) Principal	Interest	Total	Coverage
2002	$ 10,529,321	$ 6,294,940	$ 4,234,381	$ 995,000	$ 1,669,766	$ 2,664,766	1.59
2003	11,231,266	7,541,560	3,689,706	1,035,000	1,628,999	2,663,999	1.39
2004	11,973,739	7,989,085	3,984,654	1,120,000	1,585,307	2,705,307	1.47
2005	13,256,863	8,560,396	4,696,467	1,120,000	1,790,746	2,910,746	1.61
2006	17,790,621	10,261,848	7,528,773	1,645,000	1,989,618	3,634,618	2.07
2007	20,180,090	11,780,024	8,400,066	1,770,000	1,961,707	3,731,707	2.25
2008	19,002,271	12,222,465	6,779,806	1,855,000	1,909,311	3,764,311	1.80
2009	20,304,005	13,727,385	6,576,620	1,940,000	1,997,191	3,937,191	1.67
2010	21,814,247	15,276,639	6,537,608	2,340,000	1,751,813	4,091,813	1.60
2011	23,486,640	16,135,691	7,350,949	2,860,000	2,003,119	4,863,119	1.51

(1) Total operating expenses exclusive of depreciation.
(2) Includes principal and interest of revenue bonds only. It does not include the GEFA loans reported in the Water and Sewer Department.

Paulding County, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Income (2)	Unemployment Rate (3)
2001	88,798	$ 2,132,040	$ 24,010	2.5%
2002	94,184	2,213,512	23,502	3.6%
2003	100,071	2,351,869	23,502	4.1%
2004	106,075	2,459,985	23,191	3.5%
2005	113,807	2,639,298	23,191	3.6%
2006	120,841	2,844,114	23,536	4.0%
2007	125,351	2,870,413	22,899	4.0%
2008	127,906	2,877,118	22,494	6.3%
2009	133,135	3,932,675	29,539	10.7%
2010	136,655	4,428,032	32,403	10.8%
2011	142,324	4,773,974	33,543	10.5%

(1) Source: U. S. Census Bureau estimate

(2) Source: Bureau of Economic Accounts

(3) Source: Georgia Department of Labor

Paudling County, Georgia
Principal Employers
Current Year and Nine Years Ago

	2011			2002		
Employer	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
Paulding County Board of Education	3808	1	6.37%	1300	1	2.69%
Paulding County Government	777	4	1.30%	601	2	1.24%
Wal-mart Associates Inc.	1008	3	1.69%	500	3	1.04%
WellStar Health System Inc	3789	2	6.34%	350	4	0.72%
Home Depot	150	8	0.25%	130	7	0.27%
Metromont Prestress Company				200	6	0.41%
Target Corporation	160	7	0.27%			
Jim-N-Nicks	130	9	0.22%			
Shaw Industries				219	5	0.45%
Kroger	671	5	1.12%			
BellSouth Telecommunications				115	8	0.24%
Aiken Grading				90	9	0.19%
Publix Super Markets	221	6	0.37%	88	10	0.18%
Rambo Nursery	30	10	0.05%			

Source: Georgia Department of Labor

Paulding County, Georgia
Full-time Equivalent Paulding County Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General Government	66	66	69	78	82	85	84	81	77	74
Judicial	46	43	49	45	47	71	70	70	64	62
Public Safety	47	47	52	60	61	61	54	44	47	47
Firefighters	45	52	61	69	75	81	85	112	118	129
Sheriff	198	193	209	230	240	269	268	269	278	268
Public Works	77	77	80	87	94	96	94	88	88	80
Department of Transportation	53	53	58	59	61	64	61	59	53	55
Health and welfare	10	10	11	9	9	8	8	8	8	7
Culture and recreation	35	35	37	36	37	38	39	34	34	35
Housing and development	23	23	23	26	28	25	25	12	13	14
Total	601	593	646	681	734	798	788	777	780	771

Source: Paulding County Finance Department - Budget Documents

Paulding County, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
Public Safety										
Animal Control cases	4,677	5,890	6,108	5,810	5,866	7,801	6,513	5,898	5,232	4,983
Emergency 911 ** call volume	185,010	236,877	275,497	111,065 *	140,673	188,029	203,401	228,760	218,627	218,627
Marshall call volume	2,378	3,216	1,123	999	1,272	1,190	986	1,094	831	1,725
Fire call volume	6,764	7,344	8,045	8,907	8,659	9,001	9,140	9,297	9,799	10,379
Sheriff call volume	37,720	41,342	52,334	44,621	46,233	58,054	73,221	71,054	71,925	71,925
Health and welfare										
Senior Programs	791	1,003	1,110	1,213	1,265	1,485	1,400	1,092	1,100	1,080
Transit Trips	6,547	9,254	28,658	34,622	38,680	29,470	39,745	42,809	43,450	43,520
Meals on Wheels	n/a	n/a	n/a	n/a	3,828	18,571	19,620	29,107	29,220	29,200
Culture and recreation										
Recreation programs	60	61	64	79	98	110	103	165	115	121
Housing and development										
Permits issued	2,809	2,311	3,252	3,714	3,479	2,173	1,591	812	741	698

* In 2005 a hardware failure with the Bellsouth line logger caused permanent loss of call volume.
n/a Information is not available.

Paulding County, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General Government										
Buildings	49	49	50	50	51	51	51	51	52	52
Public Safety										
Fire stations	9	9	10	10	10	10	10	10	11	12
Culture and recreation										
Acreage	650	650	650	650	832	923.4	1014.8	1106.2	1197.6	1197.6
Parks	8	8	8	8	10	11	11	11	11	11