Comprehensive Annual Financial Report
Paulding County, Georgia
For the fiscal year ended
June 30, 2012



Prepared by
Department of Finance

I. Introductory Section

Comprehensive Annual Financial Report

Paulding County, Georgia

For Fiscal Year Ended June 30, 2012

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

November 30, 2012

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2012, 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 143,542.

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 8.7% represents a slight decrease from last year and is slightly lower than the rate of 9% for the State of Georgia. 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 81.6% and 8.2% of the families living below the poverty level, compared to State averages of 67.2% and 15.7%, respectively.

The County's rapid residential growth slowed substantially in 2008. Commercial construction, however, experienced a less intensive slow down compared to housing. A positive outlook for future growth of Paulding is the opening of the County's general aviation airport, the construction of the new WellStar Hospital and completion of the film studio. 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 second 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 2012, as a result of conservative spending policies and budget control measures. The unassigned fund balance of $23,265 represents 163 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 88 % 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 $3,353 for landfill closure and post closure care costs as of June 30, 2012. 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, 2012, the County had a number of debt issues outstanding. These issues included $76,840 of general obligation bonds, and $42,595 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, 2012, the County's net general obligation bonded debt of $75,607 was well below the legal limit of $304,708. General obligation debt per capita equaled $526 (five hundred and twenty-six 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. 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 100% of them are leased with a new 35,000 square foot hanger expected to be completed in 2013. 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. In 2010, a Fixed Base Operator (FBO) was selected, "Paulding Jet Center" and is currently operational.

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.

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. Burnt Hickory Park is 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.

To address the future water supply needs, the County is currently in the final permitting stages of the Richland Creek Reservoir. The County is entering the design stage of this project which is expected to extend over the next eighteen months.

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 2012 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.

The County is in the construction phase for a major by-pass in the Hiram area. This project is primarily funded through a federal grant. The by-pass will relieve traffic congestion in the County's primary commercial district. The by-pass is expected to open in 2013. The Seven Hills Parkway Extension is also under construction. This project will relieve congestion in the Cedarcrest area where Paulding County experienced the greatest residential growth over the past 10 years. This project is also expected to open in 2013. Each project will provide many travel alternatives.

Paulding County Industrial Building Authority recently contracted with RoadTown Enterprises to construct and manage a film studio. Construction was completed and operations of the studio began in early 2012. The filming of the studios first feature

length film "42" was completed in 2012. The film studio is currently located within the local union's 30 mile zone which makes filming more affordable.

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, construction began in 2012 and completion is anticipated in late 2013.

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, 2011. This was the sixteenth, 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 E. Jones, P.E.
County Administrator

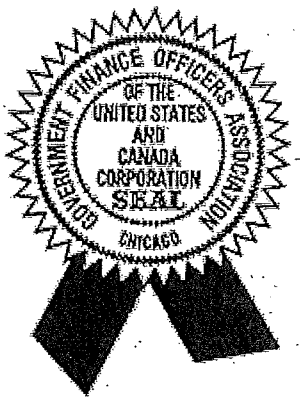
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Paulding County Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



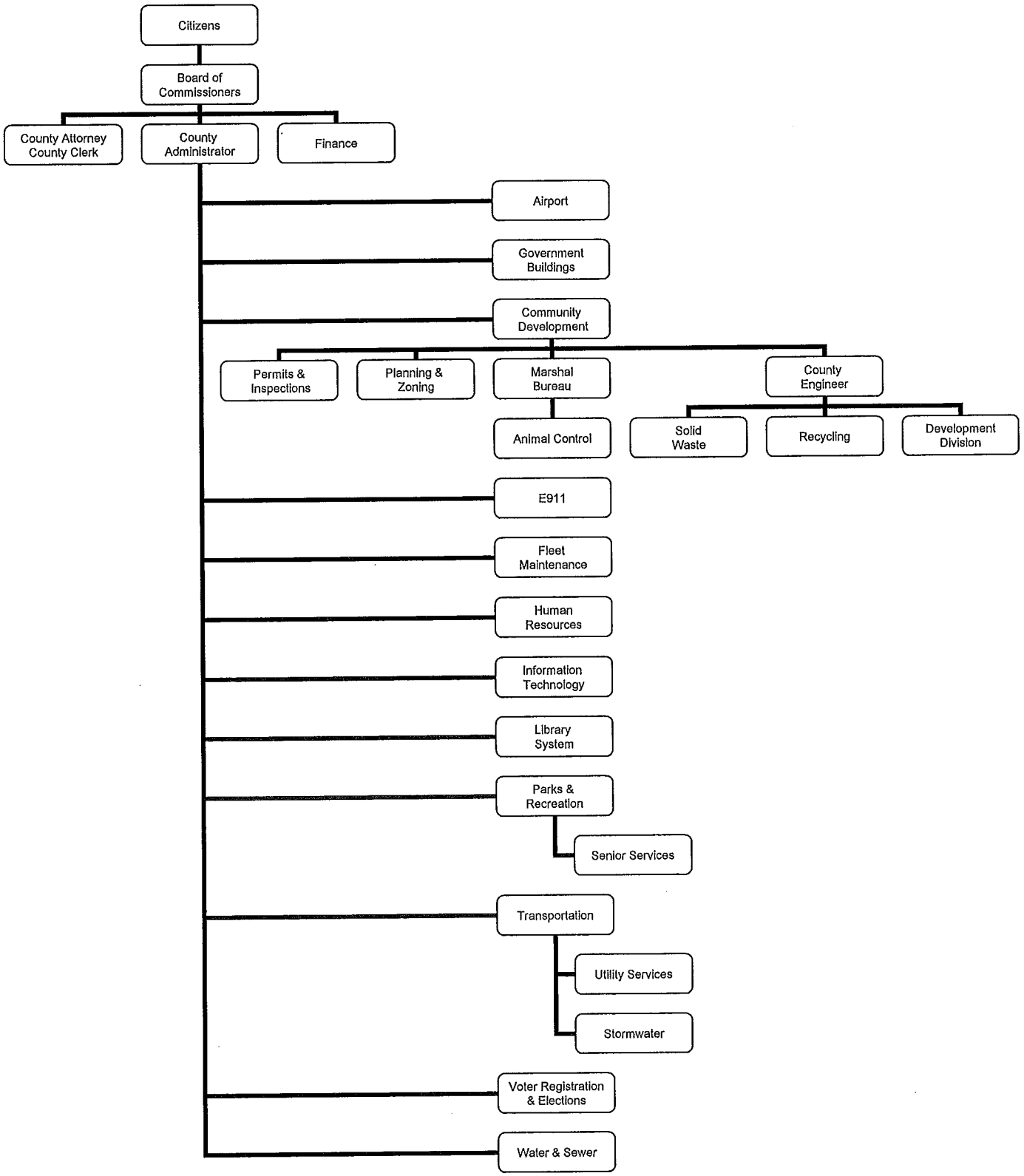
Linda C. Davidson

President

Jeffrey L. Esser

Executive Director

Paulding County, Georgia
Organization Chart



PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2012

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, 2012, 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously 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, 2012 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.

In accordance with *Government Auditing Standards,* we have also issued our report dated November 28, 2012, 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 65) 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 financial statements. The combining and individual fund financial statements and schedules and the schedules 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 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 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 combining and individual fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the 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
November 28, 2012

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, 2012. 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, 2012, by $521,549 (net assets), an increase of $16,709 from the prior year. Of this amount, $37,859 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2012, Paulding County's governmental funds reported combined ending fund balances of $66,343, an increase of $7,227 from the prior year. Approximately $23,265 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 $23,265, or 45 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net decreased by $2,788 from the prior year and the total general obligation long-term debt at June 30, 2012 was $76,840, compared to a legal debt limit of $304,708.

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 and the fire tax 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 94 through 96.

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, 2012, Paulding County's combined (government and business-type activities) assets exceeded liabilities by $521,550. A significant portion of the County's net assets, 82 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.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 75,776	$ 68,352	$ 37,185	$ 35,219	$ 112,961	$ 103,571
Capital Assets	395,084	390,062	160,690	165,281	555,774	555,343
Total Assets	470,860	458,414	197,875	200,500	668,735	658,914
Long-term liabilities outstanding	82,791	85,403	54,490	58,211	137,281	143,614
Other liabilities	5,072	5,434	4,832	5,025	9,904	10,459
Total liabilities	87,863	90,837	59,322	63,236	147,185	154,073
Net assets:						
Invested in capital assets, net of related debt	317,191	309,392	109,919	110,693	427,110	420,085
Restricted	38,480	33,998	18,101	20,760	56,581	54,758
Unrestricted	27,326	24,187	10,533	5,811	37,859	29,998
Total net assets	$ 382,997	$ 367,577	$ 138,553	$ 137,264	$ 521,550	$ 504,841

An additional portion of the County' net assets for governmental activities, $38,480; and for business-type activities, $18,101, represent resources that are subject to external restrictions on how they may be used. The governmental restricted resources represent SPLOST funds for roads, recreation and public safety capital improvements, and certain judicial expenses or activities. The $10,683 for business-type activities is restricted to water and sewer system improvements and $7,417 is restricted for debt service. The remaining balances of unrestricted assets, $27,326 for governmental activities, and $10,533 for business-type activities may be used to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2012, 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 $2,490 a 6% decrease from the prior year. Sales and other taxes increased by $3,728 or about 12% from last year. Approximately 28% of the County's total revenue from governmental activities came from sales tax and 40 % from property tax. Charges for goods and services provided about 10 % of governmental revenue. Increase in capital grants and contribution is the result of state and federal participation in East Hiram Parkway.

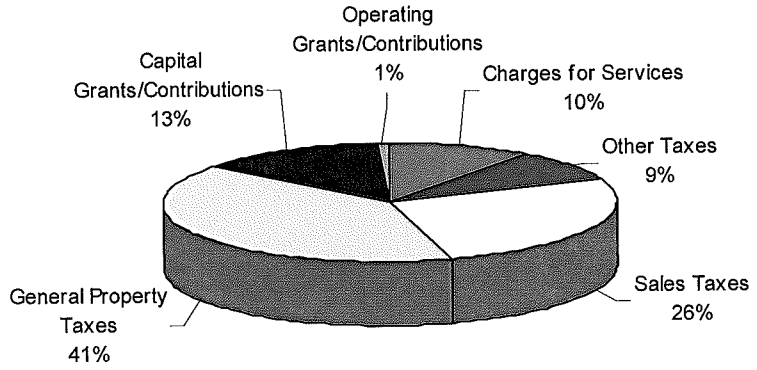
The County's largest expense is for Public Safety (Sheriff, Fire, Marshall, E-911, EMA and Animal Control), at $30,727, or 38% of total governmental expenses.

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

	Governmental Activities		Business-type Activities		Total	
Revenues:	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for services	$ 9,685	$ 10,434	$ 26,039	$ 24,662	$ 35,724	$ 35,096
Operating grants and contributions	866	726	-	-	866	726
Capital grants and contributions	12,311	11,523	762	837	13,073	12,360
General Revenues:			-	-	-	
Property taxes	37,972	40,462	-	-	37,972	40,462
Other taxes	35,159	31,431	-	-	35,159	31,431
Other	97	99	44	82	141	181
Total Revenues	96,090	94,675	26,845	25,581	122,935	120,256
Expenses:						
General government	12,829	13,858	-	-	12,829	13,858
Judicial	4,968	5,110	-	-	4,968	5,110
Public safety	30,727	30,213	-	-	30,727	30,213
Public works	20,547	18,359	-	-	20,547	18,359
Culture and recreation	3,339	3,576	-	-	3,339	3,576
Health and welfare	1,720	1,902	-	-	1,720	1,902
Housing and development	2,905	3,373	-	-	2,905	3,373
Interest on long-term debt	3,435	3,175	-	-	3,435	3,175
Water and sewer	-	-	24,760	23,625	24,760	23,625
Other programs	-	-	996	1,066	996	1,066
Total Expenses	80,470	79,566	25,756	24,691	106,226	104,257
Increase in net assets before transfers	15,620	15,109	1,089	890	16,709	15,999
Transfers	(200)	(200)	200	200	-	-
Change in net assets	15,420	14,909	1,289	1,090	16,709	15,999
Net assets -beginning, before restatement	367,577	351,460	137,264	136,174	504,841	487,634
Restatement	-	1,208	-	-	-	1,208
Net assets-beginning, after restatement	367,577	352,668	137,264	136,174	504,841	488,842
Net assets ending	$ 382,997	$ 367,577	$ 138,553	$ 137,264	$ 521,550	$ 504,841

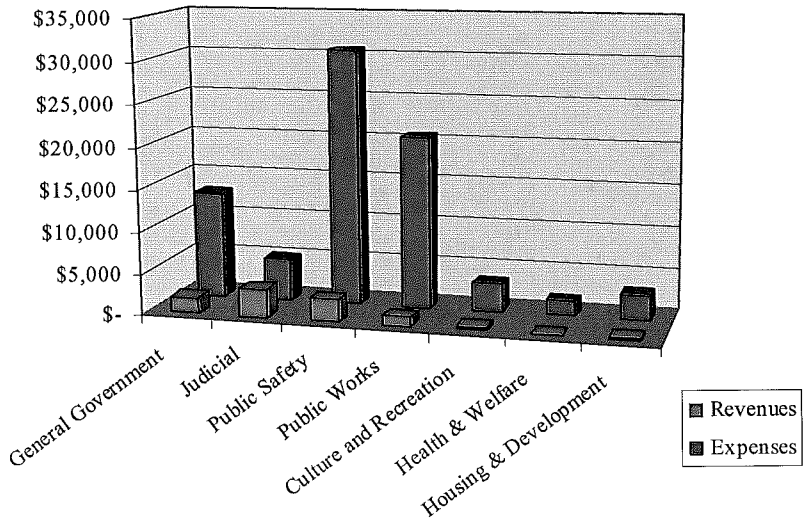
The $15,420 increase in net assets for governmental activities was attributable to revenues exceeding expenses, as well as reimbursement of 2009 flood expenses and the federally funded construction of East Hiram Parkway. The grant purchases were made in 2011 as well as 2012, but reimbursement was received in 2012. The $1,289 increase in net assets for business-type activities was the result of revenues exceeding expenses. The Landfill's long term liabilities of $3,353 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 2012 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is $66,343. Of that amount, fund balances in the County's four major funds are $26,487 in the General Fund, $4,608 in the Fire Fund, $15,264 in SPLOST III Fund and $13,757 in SPLOST IV. Approximately 35 percent of total governmental fund balances, $23,265 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) 2012 outstanding encumbrances $701, future landfill closure cost $1,425, and $640, was obligated to the 2013 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 ($402) to indicate that it is not available for new spending because it is restricted 1) to pay debt service ($1,233); 2) fire department expenditures (4,608);and 3) for other restricted purposes ($4,370). The $29,021 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 $23,265, while total fund balance was $26,487. 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 45% of total General Fund expenditures, while total fund balance represents 51 % of that same amount.

The fund balance of the General Fund increased by $3,760. 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 decreased by $4,522 from the prior year.
- Property tax revenue decreased by $2,490 as a result of the decline in residential property values, while the local option sales tax increased by $815.
- Charges for services decreased $749, 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 $317.

The fund balance of the Fire Tax Fund decreased by $1,420. 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 $5,604. The fund balance of SPLOST IV has increased by $10,764. The SPLOST III sales tax collections were collected through March 2011 and as a result of the passing of a new referendum SPLOST IV collections began in April 2011. The projects in SPLOST III were nearing completion which reduced the fund balance, and the County was collecting funds in the new SPLOST to allow for projects to begin under the new SPLOST. 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 $300.

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 2012 was $24,830 representing an increase of 6 % from 2011. The County, along with other metro counties subsequently implemented a rate increase to offset the 6% increase in expenses. The cost of the County's water purchased increased 6% from 2011. 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 $4,277. The most notable expenditure amendments are as follows:

- Public Works increased by $3,875 due to additional maintenance and asphalt contracts issued. The cost of this expense was partly covered by the State of Georgia .
- Public Safety appropriations were increased by $298 due to conservative spending.
- Health and Welfare increased by $11, Housing & Development increased by $44 and Judicial increased by $49.

Indicative of increased foreclosure rates and other reduction in property values, property tax revenue decreased 6%, other taxes increased by 14% with a sales tax increase of $1,749 accounting for 50% of the other tax increase. At June 30, 2012, General Fund revenues exceeded estimates by $ 2,516, and expenditures were $1,239 less than budget. The General Funds balance increased by $3,760.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2012. Expenditures were evaluated throughout the year in anticipation of another decline for fiscal year 2013. Actual expenditures was less than budget in all functions.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to $427,110 (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 2 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, 2012, Paulding County had a total of $119,435 in outstanding bonded debt. That amount represents $76,840 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and $42,595 in Water and Sewer Revenue

Bonds. The County also had one installment purchase agreement with an outstanding balance of $930, and a Georgia Environmental Finance Authority loan totaling $640.

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 8.7%. This rate compared to the state's rate of 9%.
- For the tax year 2011, the County's total tax digest decreased by $282,844 or 8.5%. 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 3.88 mills for the 2011 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, 2012

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
ASSETS						
Cash and cash equivalents	$ 64,179,708	$ 10,856,036	$ 75,035,744	$ 745,542	$ 340,440	$ 14,864
Restricted cash	-	21,788,972	21,788,972	-	4,491,336	-
Due from other governments	1,638,549	-	1,638,549	131,415	10,398,848	-
Taxes receivable	5,329,179	-	5,329,179	-	-	-
Internal balances	145,983	(145,983)	-	-	-	-
Other receivables	755,307	3,777,992	4,533,299	36	81,170	-
Due from component units	2,118,270	-	2,118,270	-	-	-
Due from primary government	-	-	-	-	5,360,000	-
Inventories and prepaids	401,964	170,236	572,200	542	-	-
Net Pension Asset	378,188	-	378,188	-	-	-
Capital Assets not being depreciated:						
Land	50,947,602	2,033,030	52,980,632	-	2,832,262	3,863,253
Construction In Progress	29,543,303	691,290	30,234,593	-	327,861	156,936
Capital assets, net of accumulated depreciation						
Buildings	121,017,831	3,668,300	124,686,131	-	765,524	269,045
Furniture, Equipment and Vehicles	8,057,885	754,141	8,812,026	24,589	80,553	1,013
Infrastructure	185,517,660	153,543,043	339,060,703	-	4,600,255	138,101
Other noncurrent assets	-	-	-	-	5,250	-
Unamortized bond issuance cost	829,018	738,042	1,567,060	-	308,063	-
Total assets	470,860,447	197,875,099	668,735,546	902,124	29,591,562	4,443,212
LIABILITIES						
Accounts payable	2,496,044	1,197,171	3,693,215	3,126	19,334	1,777
Accrued liabilities	538,716	-	538,716	-	65,041	-
Due to primary government	-	-	-	-	2,118,270	-
Due to other governments	-	-	-	42,895		-
Unearned revenue	565,569	926,016	1,491,585	-	-	-
Accrued interest payable	1,471,672	171,278	1,642,950	-	152,824	-
Construction contracts payable	-	47,931	47,931	-	-	-
Customer deposits	-	2,490,587	2,490,587	-	-	-
Noncurrent Liabilities						
Due to Industrial Building Authority						
Due within one year	-	360,000	360,000	-	-	-
Due in more than one year	-	5,000,000	5,000,000	-	-	3,953,848
Due within one year	5,352,239	3,910,095	9,262,334	-	790,000	-
Due in more than one year	77,439,253	45,219,571	122,658,824	53,513	21,060,043	-
Total liabilities	87,863,493	59,322,649	147,186,142	99,534	24,205,512	3,955,625

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF NET ASSETS - CONTINUED
June 30, 2012

	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	317,191,588	109,918,638	427,110,226	24,589	6,488,185	474,500
Restricted for:						
Capital projects	29,020,931	10,683,486	39,704,417	-	-	-
Judicial	714,648	-	714,648	-	-	-
Public Safety	7,180,350	-	7,180,350	-	-	-
Debt service	1,563,215	7,417,393	8,980,608	-	4,491,336	-
Unrestricted	27,326,222	10,532,933	37,859,155	778,001	(5,593,471)	13,087
TOTAL NET ASSETS	382,996,954	$ 138,552,450	$ 521,549,404	$ 802,590	$ 5,386,050	$ 487,587

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES
For the year ended June 30, 2012

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	$ 12,828,690	$ 1,864,262	$ -	$ -	$ (10,964,428)	$ -	$ (10,964,428)	$ -	$ -	$ -
Judicial	4,968,486	3,346,870	178,800	52,795	(1,390,021)	-	(1,390,021)	-	-	-
Public safety	30,727,439	2,654,077	271,374	47,560	(27,754,428)	-	(27,754,428)	-	-	-
Public works	20,546,641	1,084,215	296,840	11,927,599	(7,237,987)	-	(7,237,987)	-	-	-
Culture and recreation	3,338,955	445,858	300	21,583	(2,871,214)	-	(2,871,214)	-	-	-
Health and welfare	1,720,419	6,365	118,702	-	(1,595,352)	-	(1,595,352)	-	-	-
Housing and development	2,905,201	283,264	-	261,760	(2,360,177)	-	(2,360,177)	-	-	-
Interest on long term debt	3,434,916	-	-	-	(3,434,916)	-	(3,434,916)	-	-	-
Total governmental activities	80,470,747	9,684,911	866,016	12,311,297	(57,608,523)	-	(57,608,523)	-	-	-
Business-type:										
Water and sewer	24,760,061	24,930,836	-	762,232	-	933,007	933,007	-	-	-
DFACS facility lease	136,802	343,280	-	-	-	206,478	206,478	-	-	-
Landfill	859,441	764,696	-	-	-	(94,745)	(94,745)	-	-	-
Total Business-type activities	25,756,304	26,038,812	-	762,232	-	1,044,740	1,044,740	-	-	-
Total primary government	$ 106,227,051	$ 35,723,723	$ 866,016	$ 13,073,529	(57,608,523)	1,044,740	(56,563,783)	-	-	-
Component Units										
Board of Health	$ 1,280,862	$ 404,626	$ 878,126	$ -				$ 1,890	$ -	$ -
Industrial Building Authority	632,525	347,851	-	-				-	(284,674)	-
Airport Authority	54,533	48,722	-	-				-	-	(5,811)
Total component units	$ 1,913,387	$ 801,199	$ 878,126	$ -				$ 1,890	$ (284,674)	$ (5,811)

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES - CONTINUED
For the year ended June 30, 2012

	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	$ 25,592,760	$ -	$ 25,592,760	$ -	$ -	$ -
Property taxes, levied for debt service	6,025,724	-	6,025,724	-	-	-
Property taxes, levied for fire service	6,354,045	-	6,354,045	-	-	-
Intangible recording tax	669,945	-	669,945	-	-	-
Local option sales tax	12,514,606	-	12,514,606	-	-	-
Special purpose local option sales taxes	14,357,398	-	14,357,398	-	-	-
Insurance premium tax	5,311,731	-	5,311,731	-	-	-
Alcoholic beverage tax	669,606	-	669,606	-	-	-
Cable TV franchise tax	1,226,183	-	1,226,183	-	-	-
Real estate transfer tax	92,049	-	92,049	-	-	-
Business tax	317,596	-	317,596	-	-	-
Interest earned on investments	82,470	44,214	126,684	1,141	4,643	-
Gain on sale of capital assets	14,488	-	14,488			
Miscellaneous	-	-	-	405	-	-
Transfers	(200,000)	200,000	-	-	-	-
Total general revenues and transfers	73,028,601	244,214	73,272,815	1,546	4,643	-
Change in net assets	15,420,078	1,288,954	16,709,032	3,436	(280,031)	(5,811)
Net assets - beginning of year	367,576,876	137,263,496	504,840,372	799,154	5,666,081	493,398
Net assets - ending	$ 382,996,954	$ 138,552,450	$ 521,549,404	$ 802,590	$ 5,386,050	$ 487,587

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Fire Tax	SPLOST III	SPLOST IV		
Assets						
Cash and cash equivalents	$ 24,122,143	$ 5,247,907	$ 15,987,650	$ 13,126,285	$ 5,695,723	$ 64,179,708
Receivables, net						
Taxes	3,049,959	454,761	-	1,454,951	369,508	5,329,179
Intergovernmental	1,213,574	-	-	-	424,975	1,638,549
Other	449,111	10,589	-	-	295,607	755,307
Prepaid items	401,964	-	-	-	-	401,964
Due from other funds	1,566,698	-	-	-	546,163	2,112,861
Total assets	$ 30,803,449	$ 5,713,257	$ 15,987,650	$ 14,581,236	$ 7,331,976	74,417,568
Liabilities						
Accounts payable	$ 840,000	$ 13,936	$ 269,277	$ 814,761	$ 558,070	2,496,044
Accrued liabilities	538,716	-	-	-	-	538,716
Due to other funds	607,408	679,504	454,324	9,593	216,049	1,966,878
Deferred revenue	2,330,007	411,852	-	-	330,646	3,072,505
Total liabilities	4,316,131	1,105,292	723,601	824,354	1,104,765	8,074,143
Fund Balances						
Non-Spendable fund balance	401,964	-	-	-	-	401,964
Restricted fund balance	-	4,607,965	15,264,049	13,756,882	5,602,611	39,231,507
Committed fund balance	-	-	-	-	195,566	195,566
Assigned fund balance	2,820,546	-	-	-	429,034	3,249,580
Unassigned fund balance	23,264,808	-	-	-	-	23,264,808
Total fund balances	26,487,318	4,607,965	15,264,049	13,756,882	6,227,211	66,343,425
Total liabilities and fund balances	$ 30,803,449	$ 5,713,257	$ 15,987,650	$ 14,581,236	$ 7,331,976	74,417,568

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, 2012

Total fund balances - governmental funds		$ 66,343,425
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	$ 504,767,702	
Less Accumulated Depreciation	(109,683,421)	395,084,281
Pension asset reported in the statement of net assets is not available for spending and therefore does not qualify as a current financial resource.		378,188
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.		2,506,936
Interest payable on long-term debt does not require current financial resources and therefore is not reported as a liability in the funds.		(1,471,672)
Debt payments are currently being paid on behalf of a component unit. These payments will be repaid in a future period.		2,118,270
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	(79,387,554)	
Bond isssuance costs, net of amortization	829,018	
Compensated absences payable	(3,403,938)	(81,962,474)
Total net assets - governmental activities		$ 382,996,954

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, 2012

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Fire Tax	SPLOST III	SPLOST IV		
Revenues						
Taxes	$ 45,899,585	$ 6,410,743	$ -	$ 14,357,398	$ 6,058,284	$ 72,726,010
Licenses and permits	401,286	-	-	-	-	401,286
Intergovernmental	2,947,131	58,769	-	277,017	5,319,161	8,602,078
Charges for services	4,677,576	-	-	-	2,409,307	7,086,883
Fines and forfeitures	1,451,397	-	-	-	358,477	1,809,874
Investment income	41,437	22,269	-	75,705	18,764	158,175
Contributions and donations	194,037	8,200	-	-	-	202,237
Miscellaneous	384,457	414	-	-	-	384,871
Total Revenues	55,996,906	6,500,395	-	14,710,120	14,163,993	91,371,414
Expenditures						
Current						
General government	10,233,219	-	-	-	-	10,233,219
Judicial	4,689,113	-	-	-	316,070	5,005,183
Public safety	18,921,177	7,901,856	-	-	2,351,609	29,174,642
Public works	11,866,358	-	-	-	-	11,866,358
Health and welfare	1,692,810	-	-	-	-	1,692,810
Culture and recreation	2,600,661	-	-	-	-	2,600,661
Housing and development	2,048,471	-	-	-	-	2,048,471
Debt Service						
Principal retirement	-	-	-	-	2,545,000	2,545,000
Interest and fees	-	-	-	-	3,600,576	3,600,576
Capital outlay	-	18,182	5,604,429	2,102,796	5,623,195	13,348,602
Intergovernmental	-	-	-	1,843,534	-	1,843,534
Total expenditures	52,051,809	7,920,038	5,604,429	3,946,330	14,436,450	83,959,056
Excess (deficiency) of revenues over (under) expenditures	3,945,097	(1,419,643)	(5,604,429)	10,763,790	(272,457)	7,412,358
Other financing sources (uses)						
Sale of capital assets	14,488	-	-	-	-	14,488
Transfers out	(200,000)	-	-	-	-	(200,000)
Total other financing sources (uses)	(185,512)	-	-	-	-	(185,512)
Net change in Fund Balances	3,759,585	(1,419,643)	(5,604,429)	10,763,790	(272,457)	7,226,846
Fund balances, beginning of year	22,727,733	6,027,608	20,868,478	2,993,092	6,499,668	59,116,579
Fund balances, end of year	$ 26,487,318	$ 4,607,965	$ 15,264,049	$ 13,756,882	$ 6,227,211	$ 66,343,425

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, 2012

Total net change in fund balances - governmental funds		$	7,226,846
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	(12,000,323)		
Capital outlays	12,723,185		722,862
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources			4,299,290
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.			(35,926)
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 expendirures in governmental funds.			126,628
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			2,545,000
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 @ 06/30/12	2,506,936		
Deferred @ 06/30/11	(2,101,303)		405,633
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 @ 06/30/12	(3,403,938)		
Liability @ 06/30/11	3,241,999		(161,939)
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 @ 06/30/12	(1,471,672)		
Liability @ 06/30/11	1,510,704		39,032
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.			252,652
Change in net assets of governmental activities		$	15,420,078

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2012

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Water and Sewer Fund	Non-Major Enterprise Funds	Total
ASSETS			
Current Assets			
Cash	$ 10,511,335	$ 344,701	$ 10,856,036
Restricted cash	21,788,972	-	21,788,972
Accounts receivable, net	3,710,626	67,366	3,777,992
Due from other funds	-	61,245	61,245
Inventory	170,236	-	170,236
Total current assets	36,181,169	473,312	36,654,481
Noncurrent assets:			
Capital assets			
Land	1,420,797	612,233	2,033,030
Plant and equipment	206,200,024	5,150,467	211,350,491
Construction in progress	691,290	-	691,290
Less: accumulated depreciation	(50,877,213)	(2,507,794)	(53,385,007)
Net capital assets	157,434,898	3,254,906	160,689,804
Bond issuance and loan costs	738,042	-	738,042
Total noncurrent assets	158,172,940	3,254,906	161,427,846
Total assets	194,354,109	3,728,218	198,082,327
LIABILITIES			
Current Liabilities			
Accounts payable	1,173,940	23,231	1,197,171
Compensated absences	238,922	9,368	248,290
Unearned revenue	926,016	-	926,016
Due to general fund	201,481	5,747	207,228
Due to component unit	360,000	-	360,000
Current portion of loans payable	25,077	171,450	196,527
Current maturities of long-term debt, payable from restricted assets	3,130,000	-	3,130,000
Construction contracts payable	47,931	-	47,931
Current portion of post closure care cost	-	335,278	335,278
Accrued interest payable	167,900	3,378	171,278
Customers' deposits, payable from restricted assets	2,490,587	-	2,490,587
Total current liabilities	8,761,854	548,452	9,310,306
Long-Term Liabilities, net of current portion			
Due to component unit	5,000,000	-	5,000,000
Revenue bonds payable	40,726,877	-	40,726,877
Loans payable	614,592	758,202	1,372,794
Compensated absences	102,396	-	102,396
Post closure care costs	-	3,017,504	3,017,504
Total long-term liabilities	46,443,865	3,775,706	50,219,571
Total liabilities	55,205,719	4,324,158	59,529,877
NET ASSETS (Deficit)			
Invested in capital assets, net of related debt	107,593,384	2,325,254	109,918,638
Restricted for:			
Debt Service	7,417,393	-	7,417,393
Capital Projects	10,683,486	-	10,683,486
Unrestricted (deficit)	13,454,127	(2,921,194)	10,532,933
TOTAL NET ASSETS (Deficit)	$ 139,148,390	$ (595,940)	$ 138,552,450

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, 2012

	Business-type Activities Enterprise Funds		
	Major Fund		
	Water and Sewer	Non-Major Enterprise Funds	Total
Operating revenues:			
Charges for services	$ 23,531,577	$ -	$ 23,531,577
Penalties	664,031	-	664,031
Miscellaneous revenues	634,288	10,178	644,466
Landfill and recycling fees	-	754,518	754,518
Lease income	-	343,280	343,280
Total operating revenues	24,829,896	1,107,976	25,937,872
Operating expenses:			
Salaries and wages	2,211,308	114,826	2,326,134
Fringe benefits	1,133,679	50,050	1,183,729
Operating expenses	4,230,465	640,678	4,871,143
Cost of water purchased	9,385,659	-	9,385,659
Depreciation	5,775,845	141,556	5,917,401
Total operating expenses	22,736,956	947,110	23,684,066
Operating income	2,092,940	160,866	2,253,806
Nonoperating revenues (expenses):			
Line maintenance fees	88,538	-	88,538
Interest income	43,927	287	44,214
Rent	12,402	-	12,402
Interest expense	(2,023,105)	(49,133)	(2,072,238)
Total nonoperating revenue (expenses)	(1,878,238)	(48,846)	(1,927,084)
Income before contributions and transfers	214,702	112,020	326,722
Capital contributions	762,232	-	762,232
Transfers In	-	200,000	200,000
Change in net assets	976,934	312,020	1,288,954
Total net assets (deficit)-beginning	138,171,456	(907,960)	137,263,496
Total net assets (deficit)-ending	$ 139,148,390	$ (595,940)	$ 138,552,450

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, 2012

	Business type Activities		
	Major Fund		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	$ 24,556,130	$ 1,094,175	$ 25,650,305
Cash payments for goods and services	(13,423,193)	(791,097)	(14,214,290)
Cash payments for employee services and fringe benefits	(3,285,862)	(166,911)	(3,452,773)
Net cash provided by operating activities	7,847,075	136,167	7,983,242
Cash flows from non-capital financing activities:			
Rental income	12,402	-	12,402
Transfers in	-	200,000	200,000
Net cash provided by noncapital financing activities	12,402	200,000	212,402
Cash flows from capital and related financing activities:			
Principal paid on loans	(89,102)	(163,200)	(252,302)
Acquisition and construction of capital assets	(1,325,870)	-	(1,325,870)
Principal paid on revenue bonds	(3,350,000)	-	(3,350,000)
Interest paid	(2,149,873)	(49,687)	(2,199,560)
Line maintenance fee	88,538	-	88,538
Contributed Capital	762,232	-	762,232
Net cash used in capital and related financing activities	(6,064,075)	(212,887)	(6,276,962)
Cash flows from investing activities:			
Interest received on investments	43,927	287	44,214
Net cash provided by investing activities	43,927	287	44,214
Net increase in cash and cash equivalents	1,839,329	123,567	1,962,896
Cash and cash equivalents, July 1	$ 30,460,978	$ 221,134	$ 30,682,112
Cash and cash equivalents, June 30	$ 32,300,307	$ 344,701	$ 32,645,008
Reconciliation to Statement of Net Assets			
Cash	$ 10,511,335	$ 344,701	$ 10,856,036
Restricted cash	21,788,972	-	21,788,972
	$ 32,300,307	$ 344,701	$ 32,645,008

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, 2012

	Business type Activities		
	Major Fund		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 2,092,940	$ 160,866	$ 2,253,806
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	5,775,845	141,556	5,917,401
(Increase) in accounts receivable	(205,415)	(13,801)	(219,216)
Decrease in inventories	14,278	-	14,278
Increase in customer deposits	27,300	-	27,300
(Decrease) in accounts payable and construction cost	(88,516)	(6,162)	(94,678)
Increase (decrease) in compensated absences payable	59,125	(2,035)	57,090
Increase (decrease) in due to other funds	267,169	(183,737)	83,432
Decrease in deferred revenue	(95,651)	-	(95,651)
Increase in post closure care costs	-	39,480	39,480
Total adjustments	5,754,135	(24,699)	5,729,436
Net cash provided by operating activities	$ 7,847,075	$ 136,167	$ 7,983,242

The accompanying notes are an integral part of this statement.

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

June 30, 2012

	Agency Funds
Assets	
Cash and cash equivalents	$ 1,622,728
Taxes receivable	3,962,360
	$ 5,585,088
Liabilities	
Due to others	$ 5,585,088

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 1 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* is a special revenue fund which 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 restricted 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.

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.

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

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 type:

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.

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 $ 6,577,559. These increases were primarily due to the general fund carryover expenditures 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 Statement of net assets 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. Capital 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 and since the County has a policy to pay accrued sick leave at termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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".

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. Positive unassigned fund balance may only be reported in the General Fund.

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. 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.

16. 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

17. 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, 2012, 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.

At June 30, 2012, the County had the following investments, which are reported as cash equivalents:

Investments	Average Maturity	Credit Rating	Fair Value
Fidelity Institutional Treasury II CL III	55 days	AAA-mf	$ 15,010
Fidelity Institutional Treasury Portfolio CL I	52 days	AAA-mf	1,339,494
Federated Treasury Obligation FD-Institutional Service SHS	49 days	Aaa-mf	33
Total short term investments			$1,354,537

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.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Discretely Presented Component Units - Continued

At year end, Paulding County Industrial Building Authority's carrying amount of bank deposits was $4,831,776 and the bank balance was $4,914,326. 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	$ 792,297
2.) Collateralized with securities held by pledging financial institution's Trust department or agent in the Authority's name	4,122,029
	$ 4,914,326

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

	General	Fire Tax	SPLOST III	SPLOST IV
Taxes	$ 2,199,950	$ 509,731	$ -	$ 1,454,951
Intergovernmental	2,272,472	-	-	-
Other	449,111	10,589	-	-
Gross receivables	4,921,533	520,320	-	1,454,951
Less: Allowance for uncollectibles	(208,889)	(54,970)	-	-
Net receivables	$ 4,712,644	$ 465,350	$ -	$ 1,454,951

	Water and Sewer	Non-Major Funds	Agency
Taxes	$ -	$ 422,123	$3,962,360
Intergovernmental	-	424,975	-
Other	4,846,367	362,973	-
Gross receivables	4,846,367	1,210,071	3,962,360
Less: Allowance for uncollectibles	(1,135,741)	(52,615)	-
Net receivables	$ 3,710,626	$ 1,157,456	$3,962,360

NOTE C – RECEIVABLES - CONTINUED

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. A lien is created at ninety days delinquent.

Discretely Presented Component Units

As of June 30, 2012 the Component Units reported the following intergovernmental receivables:

Board of Health	$131,415
Industrial Building Authority	
Due from Airport Authority	$3,953,848
Due from Paulding County	5,360,000
Due from City of Dallas	6,445,000
Total Industrial Building Authority	$15,758,848
Total Component Units	$15,890,263

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
General Fund	Water & Sewer Fund	$ 201,481
General Fund	SPLOST IV	9,593
General Fund	Non-major Governmental Fund	216,049
Non-major Governmental Fund	General Fund	546,163
General Fund	Non-major Enterprise Fund	5,747
Non-Major Enterprise Fund	General Fund	61,245
General Fund	Fire Tax	679,504
General Fund	SPLOST III	454,324
		$ 2,174,106

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. 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, 2012 was as follows:

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Governmental Activities					
Capital assets not being depreciated					
Land	$ 50,947,602	$ -	$ -	$ -	$ 50,947,602
Construction in Progress	18,565,425	11,742,756	-	(764,878)	29,543,303
Total capital assets not being depreciated	69,513,027	11,742,756	-	(764,878)	80,490,905
Capital assets being depreciated:					
Buildings and Improvements	146,399,544	341,619	-	-	146,741,163
Equipment	36,179,382	638,810	247,658	46,426	36,616,960
Infrastructure	235,900,932	4,299,290	-	718,452	240,918,674
Total capital assets being depreciated	418,479,858	5,279,719	247,658	764,878	424,276,797
Less accumulated depreciation for:					
Buildings	21,932,119	3,791,213	-	-	25,723,332
Equipment	26,481,903	2,324,830	247,658	-	28,559,075
Infrastructure	49,516,734	5,884,280	-	-	55,401,014
Total accumulated depreciation	97,930,756	12,000,323	247,658	-	109,683,421
Total capital assets, being depreciated, net	320,549,102	(6,720,604)	-	764,878	314,593,376
Total governmental activities capital assets, net	$ 390,062,129	$ 5,022,152	$ -	$ -	$ 395,084,281

NOTE E - CAPITAL ASSETS-CONTINUED

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Business-type activities:					
Water/Sewer:					
Land	$ 1,414,797	$ 6,000	$ -	$ -	$ 1,420,797
Construction in Progress	61,098	657,503	-	(27,311)	691,290
Total capital assets not being depreciated	1,475,895	663,503		(27,311)	2,112,087
Capital assets being depreciated:					
Buildings	1,699,016	69,613	-	7,625	1,776,254
Equipment	3,209,371	305,588	-	-	3,514,959
Water distribution system	110,992,963	287,166	-	16,530	111,296,659
Sewer system	89,608,996	-	-	3,156	89,612,152
Total capital assets being depreciated	205,510,346	662,367	-	27,311	206,200,024
Less accumulated depreciation for:					
Buildings	635,233	50,329	-	-	685,562
Equipment	2,667,944	157,939	-	-	2,825,883
Water distribution system	30,766,782	2,889,890	-	-	33,656,672
Sewer system	11,031,409	2,677,687	-	-	13,709,096
Total accumulated depreciation	45,101,368	5,775,845	-	-	50,877,213
Total capital assets, being depreciated, net	160,408,978	(5,113,478)	-	27,311	155,322,811
Water and sewer capital assets, net	$ 161,884,873	$ (4,449,975)	$ -	$ -	$ 157,434,898
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	995,007	77,862	-	-	1,072,869
Equipment	1,371,231	63,694	-	-	1,434,925
Total accumulated depreciation	2,366,238	141,556	-	-	2,507,794
Total capital assets, being depreciated, net	2,784,229	(141,556)	-	-	2,642,673
Other enterprise funds capital assets, net	3,396,462	(141,556)	-	-	3,254,906
Business-type activities capital assets, net	$ 165,281,335	$ (4,592,127)	$ -	$ -	$160,689,804

NOTE E - CAPITAL ASSETS-CONTINUED

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

Governmental Funds:	
General government	$ 2,534,099
Judicial	41,149
Public safety	1,519,002
Public works	6,274,806
Culture and recreation	563,338
Health and welfare	49,609
Housing and development	1,018,320
Total depreciation expense-governmental funds	$ 12,000,323
Business-type Funds	
Water/Sewer	$ 5,775,845
Landfill	63,694
DFCS Facility	77,862
Total depreciation expense - business-type activities	$ 5,917,401

Discretely Presented Component Units

Activity for the Industrial Building Authority for the year ended June 30, 2012, is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Business Type activities:				
Capital assets not being depreciated				
Land	$ 1,981,074	$ 893,188	$ (42,000)	$ 2,832,262
Construction in progress	503,705	4,119,151	(4,294,995)	327,861
Total capital assets not being Depreciated	2,484,779	5,012,339	(4,336,995)	3,160,123
Capital assets being depreciated				
Buildings	542,993	240,000	-	782,993
Infrastructure	340,405	4,294,996	(17,0 18)	4,618,383
Equipment and vehicles	21,882	82,004	-	103,886
Total capital assets being Depreciated	905,280	4,617,000	(17,0 18)	5,505,262
Less accumulated depreciation for				
Buildings	3,394	14,075	-	17,469
Infrastructure	10,043	8,085	-	18,128
Equipment and vehicles	21,139	2,194	-	23,333
Total accumulated depreciation	34,576	24,354		58,930
Total capital assets being Depreciated, net	870,704	4,592,646	(17,0 18)	5,446,332
Total Industrial Building Authority capital Assets, net	$3,355,483	$9,604,985	$ (4,354,013)	$ 8,606,455

NOTE E - CAPITAL ASSETS-CONTINUED

Discretely Presented Component Units-continued

Activity for the Airport Authority for the year ended June 30, 2012, is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Business Type activities:				
Capital assets not being depreciated				
Land	$ 3,863,253	$ -	$ -	$ 3,863,253
Construction in progress	155,676	95,920	(94,660)	156,936
Total capital assets not being Depreciated	4,018,929	95,920	(94,660)	4,020,189
Capital assets being depreciated				
Buildings	286,982	-	-	286,982
Infrastructure	49,522	94,660	-	144,182
Equipment and vehicles	1,351	-	-	1,351
Total capital assets being Depreciated	337,855	94,660	-	432,515
Less accumulated depreciation for				
Buildings	10,762	7,175	-	17,937
Infrastructure	2,476	3,605	-	6,081
Equipment and vehicles	68	270	-	338
Total accumulated depreciation	13,306	11,050	-	24,356
Total capital assets being Depreciated, net	324,549	83,610	-	408,159
Total Airport Authority capital Assets, net	$ 4,343,478	$ 179,530	$ (94,660)	$ 4,428,348

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 $3,352,782. 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 $3,566,789) 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, 2012. 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, 2012 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, 2011	Additions	Payments	Balance June 30, 2012	Due within 1 year
Governmental Activities:					
Bonds Payable					
2003 Refunding & Improvements	$ 705,000	$ -	$ (705,000)	$ -	$ -
Series 2007 general obligation bonds- Conservation Project	12,605,000	-	(825,000)	11,780,000	855,000
Series 2007 general obligation bonds-Gov't Complex Project	61,075,000	-	(950,000)	60,125,000	935,000
Series 2009 Refunding	5,000,000	-	(65,000)	4,935,000	1,180,000
Unamortized Bond Premium	2,822,355	-	(243,205)	2,579,150	-
Less deferred amounts					
On refunding	(46,676)	-	15,080	(31,596)	-
Total Bonds Payable	82,160,679	-	(2,788,205)	79,387,554	2,970,000
Compensated absences	3,241,999	4,224,639	(4,062,700)	3,403,938	2,382,757
Governmental activity Long-term liabilities	$ 85,402,678	$ 4,224,639	$(6,850,905)	$82,791,492	$ 5,352,239

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, 2011	Additions	Payments	Balance June 30, 2012	Due within 1 year
Business-type activities:					
Bonds Payable					
1993 Water Revenue Bonds	$,695,000	$ -	$(1,160,000)	$2,535,000	$1,230,000
2004 Water Revenue Bonds	10,240,000	-	(660,000)	9,580,000	700,000
2009 Water Revenue Bonds	14,325,000	-	(730,000)	13,595,000	740,000
2009A Water Revenue Bonds	17,335,000	-	(450,000)	16,885,000	460,000
Unamortized Bond Premium	1,821,319	-	(245,936)	1,575,383	-
Deferred Bond Refunding Cost	(344,234)	-	30,728	(313,506)	-
Total Bonds Payable	47,072,085	-	(3,215,208)	43,856,877	3,130,000
Loans Payable					
1993 GEFA loan	68,771	-	(68,771)	-	-
2010 GEFA loan	660,000	-	(20,331)	639,669	25,077
2001 Installment note	1,092,852	-	(163,200)	929,652	171,450
Intergovernmental payable,					
Industrial Building Authority	5,710,000	-	(350,000)	5,360,000	360,000
Compensated Absences	293,596	377,663	(320,573)	350,686	248,290
Landfill Closure/Post Closure	3,313,302	39,480	-	3,352,782	335,278
Business-type activities					
Long-term liabilities	$58,210,606	$ 417,143	$(4,138,083)	$54,489,666	$4 ,270,095

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. The final debt payment was made for this issue on August 1, 2011.

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.

NOTE G - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds - Continued

Future maturities of principal and interest on general obligation bonds at June 30, 2012 are as follows:

Year ending June 30,	Principal	Interest	Total
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
	$ 76,840,000	$ 40,468,933	$ 117,308,933

NOTE G - LONG-TERM DEBT – CONTINUED

3. Water Revenue Bonds

Outstanding revenue bonds at June 30, 2012, 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.	$ 2,535,000
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.	9,580,000
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.	13,595,000
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.	16,885,000
Gross bonds payable	42,595,000
Less: Unamortized deferred loss on refunding	(313,506)
Unamortized bond premium	1,575,383
Net bonds payable	$ 43,856,877

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
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	4,540,000	342,050	4,882,050
2023	4,920,000	114,275	5,034,275
	$ 42,595,000	$11,305,559	$ 53,900,559

The County has pledged future water customer revenues, net of specified operating expenses, to repay $42.595 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 $53,900,559. Principal and interest paid for the current year and total customer revenues were $4,883,644 and $24,829,896, 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.	$ -
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	5,360,000
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.	929,652
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.	639,669
	$ 6,929,321

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

Year ending June 30,	Principal	Interest	Total
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
2018-2022	2,494,783	591,227	3,086,010
2023-2027	1,264,798	91,163	1,355,961
2028-2032	172,339	11,178	183,517
	$ 6,929,321	$ 1,850,779	$ 8,780,100

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

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

	Balance June 30, 2011	Additions	Payments	Balance June 30, 2012	Due within 1 year
Industrial Building Authority					
Revenue Bonds Payable					
2003 Revenue Bonds	$ 8,015,000	$ -	$ (480,000)	$ 7,535,000	$ 790,000
2010 Revenue Bonds	6,445,000	-	-	6,445,000	-
2011 Revenue Bonds	7,900,000	-	-	7,900,000	-
Unamortized Bond Premium	51,196	-	(6,400)	44,796	-
Unamortized Bond Discount	(88,331)	-	13,578	(74,753)	-
Total Bonds Payable	$22,322,865	$ -	$ 472,822	$ 21,850,043	$ 790,000

Year ending June 30,	Principal	Interest	Total
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	1,125,000	888,944	2,013,944
2018-2022	6,620,000	3,684,455	10,304,455
2023-2027	6,200,000	2,019,653	8,219,653
2028-2031	4,085,000	549,619	4,634,619
	$ 21,880,000	$ 11,061,223	$ 32,941,223

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 2012 includes minimum operating lease agreements totaling $343,280.

NOTE I – CAPITAL CONTRIBUTIONS

During the year ended June 30, 2012, capital contributions from customers, developers, State Department of Transportation and the Federal Airport Administration totaled $762,232 consisting of the following items:

Contributed From	Purpose	Amount
Developers	Contributed Water Lines Infrastructure	$ 10,500
Customers	Tap Fees Collected	751,732
		$ 762,232

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.

Grant Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Construction Contracts

As of June 30, 2012 the County's remaining obligation on uncompleted construction contracts totaled approximately $ 10,532,453 consisting of Water and Sewer contracts, $290,418 Department of Transportation contracts, $10,242,035.

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, 2012(the date of the most recent actuarial valuation date).

NOTE L - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description - Continued

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.

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.

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Funding Policy - Continued

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 608. 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, 2012 was 10 years.

Annual Pension Cost

The following is the schedule of funding progress of the plan as of the most recent valuation date, January 1, 2012:

Actuarial value of assets	$ 21,052,085
Actuarial accrued liability (AAL)	25,663,462
Unfunded actuarial accrued liability (UAAL)	4,611,377
Funded ratio	82.0%
Covered Payroll	22,822,954
UAAL as a percentage of Covered payroll	20.2%

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, 2012, 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)
2012	$ 2,079,414	$ 2,043,488	98%	$ (378,188)
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)

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Annual Pension Cost - Continued

Derivation of Net Pension Asset:

	2012
Net Pension Asset as of Beginning of Prior Year	$ (414,114)
Annual Pension Cost for Current Year	2,079,414
Actual contributions to Plan for Current Year	2,043,488
Decrease in Net Pension Asset	35,926
Net Asset as of End of Year	$ (378,188)

Derivation of Annual Pension cost:

Annual Required Contribution	$ 2,077,082
Interest on Net Pension Obligation	(33,330)
Amortization of Net Pension Obligation	35,662
Annual Pension Cost	$2,079,414

Contributions totaling $2,043,488 paid in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2012 for the 2012 Plan Year. The contributions represented 9.0% of the covered payroll for 2012. 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, 2012.

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.

NOTE M – DEFINED CONTRIBUTION PLAN - CONTINUED

The County has made the following contributions to the plan:

	County Contributions	Employee Contributions
2011	$ 272,354	$ 725,507
2012	280,694	752,430

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 $127,234 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	$ 401,964

Restricted – The following balances are restricted for:

Major Funds:	
Fire Tax Fund –	
used to account for operation of the Fire Dept.	$ 4,607,965
SPLOST III –	
used to account for capital projects financed with SPLOST	$15,264,049
SPLOST IV –	
used to account for capital projects financed with SPLOST	$13,756,882

NOTE O – FUND EQUITY - CONTINUED

Restricted - Continued

Non-major funds:

Law Library Fund – used to account for operations of the Law Library	$ 105,063
Drug Confiscation Account – Used to account for resources confiscated and expended In the fight against drugs	$ 22,655
Victim Witness Fund – accounts for the operational expenditures used in the Victim Witness program	$ 73,142
Clerk's Technology – accounts for resources used to improve technology in the Clerk of Court's office	$ 382,902
Emergency 911 Fund – Used to account for the operations of the E-911 center	$ 1,140,177
Jail Fund – accounts for the inmate supplies and capital purchases of the Jail	$ 908,507
Supplemental Juvenile – accounts for outside sources utilized within the court system for treatment and evaluation	$ 153,541
Drug Use Treatment – accounts for fines collected to be used In drug treatment and prevention education	$ 89,194
Debt Service Fund – Used to account for the principal and interest payment of General long term debt	$ 1,232,569
Capital Projects Fund – used to account for the bond proceeds issued for reservoir and courthouse construction projects	$ 1,494,861

Committed – The following fund balance are committed to:

Sheriff Commissary – used to account for the receipts and Purchases inmates incur while incarcerated	$ 195,566

Assigned – The following fund balances are assigned to:

General Fund:		
Encumbrances- As of June 30, 2012, the county encumbered Amounts intended to be honored in the subsequent year		
Encumbrance detail		
Reservoir	$103,149	
DOT Infrastructure Maintenance	$526,517	
Other supplies	$ 71,758	$ 701,424
Library		$ 54,473
Landfill cost of closure		$ 1,425,000
2012 Budget		$ 639,649

NOTE O – FUND EQUITY - CONTINUED

Assigned – Continued
Non-major funds:

Capital Projects Fund – used to construct or purchase	
Capital assets	$ 429,034

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/BUDGETARY OVERAGES

The Solid Waste Fund has a deficit fund equity of $ 2,318,273 at June 30, 2012.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	
Judicial – public defender	46,457
Public Safety – general appropriations	2,649
Health and Welfare – general appropriations	5,410
Non-Major funds	
Law Library	46,360
Clerk's Technology	41,993

These over expenditures were funded by greater than anticipated revenues in the case of the general fund, law library and the clerk technology fund.

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.

	2011	2010	2009	2008	2007	2006
Actuarial value of assets	21,052,085	19,014,520	16,846,581	14,720,347	13,763,518	11,772,193
Actuarial accrued liability (AAL)	25,663,462	24,382,524	22,579,553	19,962,472	17,491,188	15,471,763
Unfunded actuarial accrued liability (UAAL)	4,611,377	5,368,004	5,732,972	5,242,125	3,727,670	3,699,570
Funded ratio	82.0%	78.0%	74.6%	73.7%	78.7%	76.1%
Covered Payroll	22,822,954	22,630,176	22,250,062	21,106,471	18,912,254	17,654,200
UAAL as a percentage of covered payroll	20.2%	23.7%	25.8%	24.8%	19.7%	21.0%

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 41,829,500	$ 44,600,500	$ 45,899,585	$ 1,299,085
Licenses and permits	305,000	305,000	401,286	96,286
Intergovernmental	217,000	2,000,000	2,947,131	947,131
Charges for services	4,657,000	4,590,000	4,677,576	87,576
Fines and forfeitures	1,365,000	1,450,000	1,451,397	1,397
Investment income	15,000	15,000	41,437	26,437
Contributions and donations	-	170,000	194,037	24,037
Miscellaneous	268,500	350,000	384,457	34,457
Total Revenues	48,657,000	53,480,500	55,996,906	2,516,406
Expenditures				
Current				
General government	11,039,651	11,039,651	10,233,219	806,432
Judicial	4,709,613	4,758,113	4,689,113	69,000
Public safety	18,715,680	19,014,369	18,921,177	93,192
Public works	8,031,597	11,906,867	11,866,358	40,509
Health and welfare	1,789,800	1,800,600	1,692,810	107,790
Culture and recreation	2,709,600	2,709,600	2,600,661	108,939
Housing and development	2,017,700	2,061,300	2,048,471	12,829
Total Expenditures	49,013,641	53,290,500	52,051,809	1,238,691
Excess (deficiency) of revenues over expenditures	(356,641)	190,000	3,945,097	3,755,097
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	14,488	4,488
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(190,000)	(190,000)	(185,512)	4,488
Net change in fund balance	$ (546,641)	$ -	3,759,585	$ 3,759,585
Fund balance, beginning of year			22,727,733	
Fund balance, end of year			$ 26,487,318	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 5,770,000	$ 6,400,000	$ 6,410,743	$ 10,743
Investment Income	-	-	22,269	22,269
Intergovernmental Revenue	-	-	58,769	58,769
Contributions and Donations	-	-	8,200	8,200
Miscellaneous	-	-	414	414
Total Revenues	5,770,000	6,400,000	6,500,395	100,395
Expenditures				
Public Safety				
Fire				
Personnel Services	6,361,400	7,116,500	7,115,111	1,389
Other Services and Charges	799,870	790,000	786,745	3,255
Capital Outlay	138,730	18,500	18,182	318
Total expenditures	7,300,000	7,925,000	7,920,038	4,962
Net change in fund balance	$ (1,530,000)	$ (1,525,000)	(1,419,643)	$ 105,357
Fund balance, beginning of year			6,027,608	
Fund balance, end of year			$ 4,607,965	

Paulding County, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

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, 2012
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

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 41,829,500	$ 44,600,500	$ 45,899,585	$ 1,299,085
Licenses and permits	305,000	305,000	401,286	96,286
Intergovernmental	217,000	2,000,000	2,947,131	947,131
Charges for Services	4,657,000	4,590,000	4,677,576	87,576
Fines and Forfeitures	1,365,000	1,450,000	1,451,397	1,397
Investment Income	15,000	15,000	41,437	26,437
Contributions and Donations	-	170,000	194,037	24,037
Miscellaneous	268,500	350,000	384,457	34,457
Total Revenues	48,657,000	53,480,500	55,996,906	2,516,406
Expenditures				
Current				
General Government				
Adminsitration				
Legislative				
Personnel Services	476,100	476,100	468,296	7,804
Operating Expenditures	127,000	127,000	110,330	16,670
	603,100	603,100	578,626	24,474
Executive				
Personnel Services	198,000	198,000	199,213	(1,213)
Operating Expenditures	14,200	14,200	10,333	3,867
	212,200	212,200	209,546	2,654
Elections				
Personnel Services	158,400	158,400	280,640	(122,240)
Operating Expenditures	256,620	256,620	45,394	211,226
	415,020	415,020	326,034	88,986
Finance				
Personnel Services	399,200	399,200	401,680	(2,480)
Operating Expenditures	26,700	26,700	18,275	8,425
	425,900	425,900	419,955	5,945
Information Technology				
Personnel Services	495,200	495,200	488,063	7,137
Operating Expenditures	578,575	578,575	542,633	35,942
Capital Outlay	50,000	50,000	27,010	22,990
	1,123,775	1,123,775	1,057,706	66,069
Human Resources				
Personnel Services	286,100	286,100	278,558	7,542
Operating Expenditures	24,000	24,000	19,937	4,063
	310,100	310,100	298,495	11,605

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
General Government - continued				
Government Facilities				
Personnel Services	378,100	378,100	368,143	9,957
Operating Expenditures	856,670	856,670	820,079	36,591
Capital Outlay	28,000	28,000	-	28,000
	1,262,770	1,262,770	1,188,222	74,548
Tax assessments and Collections				
Tax assessors:				
Personnel Services	1,131,600	1,131,600	1,023,445	108,155
Operating Expenditures	243,986	243,986	156,488	87,498
	1,375,586	1,375,586	1,179,933	195,653
Tax Commissioner				
Personnel Services	746,000	746,000	749,537	(3,537)
Operating Expenditures	214,200	214,200	163,863	50,337
Capital Outlay	7,000	7,000	5,275	1,725
	967,200	967,200	918,675	48,525
Total Tax Assessment and Collections	2,342,786	2,342,786	2,098,608	244,178
General Appropriations				
Other Expenditures	4,344,000	4,344,000	4,056,027	287,973
Total General Government	11,039,651	11,039,651	10,233,219	806,432
Judicial				
Superior Court				
Personnel Services	467,900	467,900	445,295	22,605
Operating Expenditures	368,456	368,456	352,154	16,302
	836,356	836,356	797,449	38,907
Clerk of Superior Court				
Personnel Services	1,001,400	1,001,400	975,262	26,138
Operating Expenditures	72,900	72,900	55,380	17,520
	1,074,300	1,074,300	1,030,642	43,658
Probate Court				
Personnel Services	583,900	583,900	563,578	20,322
Operating Expenditures	91,700	91,700	88,428	3,272
	675,600	675,600	652,006	23,594
Magistrate Court				
Personnel Services	374,607	377,607	372,770	4,837
Operating Expenditures	16,400	16,400	15,149	1,251
	391,007	394,007	387,919	6,088
District Attorney				
Personnel Services	589,000	228,500	227,689	811
Operating Expenditures	170,500	576,500	577,246	(746)
Capital Outlay	-	-	-	-
	759,500	805,000	804,935	65

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Judicial - continued				
Juvenile Court				
Personnel Services	272,900	272,900	281,723	(8,823)
Operating Expenditures	233,000	233,000	221,032	11,968
	505,900	505,900	502,755	3,145
Public Defender				
Personnel Services	170,200	170,200	196,880	(26,680)
Operating Expenditures	296,750	296,750	316,527	(19,777)
	466,950	466,950	513,407	(46,457)
Total Judicial	4,709,613	4,758,113	4,689,113	69,000
Public Safety				
Coroner				
Personnel Services	43,100	48,500	48,193	307
Operating Expenditures	20,500	26,500	26,463	37
	63,600	75,000	74,656	344
Sheriff				
Personnel Services	10,613,200	10,654,100	10,645,357	8,743
Operating Expenditures	1,837,180	1,990,169	1,990,467	(298)
Capital Outlay	-	5,900	5,900	-
	12,450,380	12,650,169	12,641,724	8,445
Jail				
Personnel Services	3,341,100	3,321,000	3,320,419	581
Operating Expenditures	1,881,400	1,959,000	1,957,325	1,675
Capital Outlay	5,000	35,000	34,344	656
	5,227,500	5,315,000	5,312,088	2,912
Marshal				
Personnel Services	364,900	364,900	308,443	56,457
Operating Expenditures	59,500	59,500	57,140	2,360
	424,400	424,400	365,583	58,817

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Animal Control				
Personnel Services	390,800	390,800	369,287	21,513
Operating Expenditures	116,000	116,000	112,190	3,810
Capital Outlay	-	-	-	-
	506,800	506,800	481,477	25,323
General Appropriations				
Operating Expenditures	43,000	43,000	45,649	(2,649)
Total Public Safety	18,715,680	19,014,369	18,921,177	93,192
Public Works				
Roads and Bridges				
Personnel Services	2,782,000	2,785,000	2,782,662	2,338
Operating Expenditures	3,622,830	7,314,000	7,313,268	732
Capital Outlay	40,400	31,000	30,624	376
	6,445,230	10,130,000	10,126,554	3,446
Stormwater				
Personnel Services	-	-	-	-
Operating Expenditures	-	143,000	142,997	3
Capital Outlay	-	-	-	-
	-	143,000	142,997	3
Utility Coordinator				
Personnel Services	80,300	61,900	59,852	2,048
Operating Expenditures	807,200	873,100	873,024	76
	887,500	935,000	932,876	2,124
Maintenance Shop				
Personnel Services	530,700	530,700	535,074	(4,374)
Operating Expenditures	58,617	58,617	24,203	34,414
	589,317	589,317	559,277	30,040
Recycling				
Personnel Services	86,500	86,500	87,312	(812)
Operating Expenditures	23,050	23,050	17,342	5,708
	109,550	109,550	104,654	4,896
Total Public Works	8,031,597	11,906,867	11,866,358	40,509

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Health and Welfare				
Mental Health Grant	50,000	50,000	50,000	-
General Health Grant	326,000	326,000	325,831	169
General Welfare Grant	28,000	28,000	24,705	3,295
Paulding Hospital Authority	750,000	750,000	663,373	86,627
	1,154,000	1,154,000	1,063,908	90,092
Senior Citizens Center				
Personnel Services	173,400	173,400	178,993	(5,593)
Operating Expenditures	89,500	89,500	68,859	20,641
Capital Outlay	15,000	15,000	22,000	(7,000)
	277,900	277,900	269,852	8,048
Senior Citizens Van				
Personnel Services	113,700	113,700	86,763	26,937
Operating Expenditures	17,500	17,500	29,763	(12,263)
	131,200	131,200	116,526	14,674
Bus Service				
Personnel Services	122,800	113,800	113,350	450
Operating Expenditures	47,900	67,700	67,764	(64)
	170,700	181,500	181,114	386
General Appropriations				
Operating Expenditures	56,000	56,000	61,410	(5,410)
Total Health and Welfare	1,789,800	1,800,600	1,692,810	107,790
Culture and Recreation				
Library				
Personnel Services	623,000	623,000	598,053	24,947
Operating Expenditures	122,500	122,500	136,217	(13,717)
Capital Outlay	25,000	25,000	25,000	-
	770,500	770,500	759,270	11,230
Recreation				
Personnel Services	1,151,700	1,138,300	1,042,639	95,661
Operating Expenditures	776,600	756,000	755,735	265
Capital Outlay	-	34,000	33,373	627
	1,928,300	1,928,300	1,831,747	96,553
General Appropriations				
Operating Expenditures	10,800	10,800	9,644	1,156
Total Culture and Recreation	2,709,600	2,709,600	2,600,661	108,939

Paulding County, Georgia

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

Year ended June 30, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Housing and Development				
County Extension Service				
Personnel Services	31,100	31,100	30,912	188
Operating Expenditures	17,700	17,700	15,481	2,219
	48,800	48,800	46,393	2,407
Community Development				
Personnel Services	899,500	870,700	870,698	2
Operating Expenditures	160,800	216,800	216,706	94
	1,060,300	1,087,500	1,087,404	96
Airport				
Personnel Services	169,700	171,100	171,061	39
Operating Expenditures	98,900	113,900	113,728	172
	268,600	285,000	284,788	212
General Appropriations				
Operating Expenditures	640,000	640,000	629,886	10,114
Total Housing and Development	2,017,700	2,061,300	2,048,471	12,829
Total Expenditures	49,013,641	53,290,500	52,051,809	1,238,691
Excess (deficiency) of revenues over (under) expenditures	(356,641)	190,000	3,945,097	3,755,097
Other financing sources (uses):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Sale of captial assets	10,000	10,000	14,488	4,488
Total other financing sources (uses)	(190,000)	(190,000)	(185,512)	4,488
Net change in fund balance	$ (546,641)	$ -	3,759,585	$ 3,759,585
Fund balance, beginning of year			22,727,733	
Fund balance, end of year			$ 26,487,318	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Expenditures				
Public Safety				
Sheriff				
Capital Outlay	1,000,000	1,000,000	219,130	780,870
	1,000,000	1,000,000	219,130	780,870
Fire				
Capital Outlay	1,600,000	1,600,000	1,079,717	520,283
	1,600,000	1,600,000	1,079,717	520,283
Marshal				
Capital Outlay	-	100,000	65,284	34,716
	-	100,000	65,284	34,716
Emergency Telephone System				
Capital Outlay	200,000	450,000	338,488	111,512
	200,000	450,000	338,488	111,512
Total Public Safety	2,800,000	3,150,000	1,702,619	1,447,381
Public Works				
Roads, Highways and Bridges				
Other Services and Charges	-	500,000	361,493	138,507
Capital Outlay	6,500,000	3,510,000	3,250,493	259,507
Total Public Works	6,500,000	4,010,000	3,611,986	398,014
Culture and Recreation				
Recreation				
Other Services and Charges	-	-	-	-
Capital Outlay	3,140,000	5,000,000	289,824	4,710,176
Total Culture and Recreation	3,140,000	5,000,000	289,824	4,710,176
Total expenditures	12,440,000	12,160,000	5,604,429	6,555,571
Net changes in fund balance	$ (12,440,000)	$ (12,160,000)	(5,604,429)	$ 6,555,571
Fund balance, beginning of year			20,868,478	
Fund balance, end of year			$ 15,264,049	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 11,800,000	$ 14,300,000	$ 14,357,398	$ 57,398
Intergovernmental	-	-	277,017	277,017
Investment Income	60,000	60,000	75,705	15,705
Total Revenues	11,860,000	14,360,000	14,710,120	350,120
Expenditures				
Public Works				
Roads, Highways and Bridges				
Capital Outlay	6,000,000	8,490,000	1,891,795	6,598,205
Total Public Works	6,000,000	8,490,000	1,891,795	6,598,205
Culture and Recreation				
Recreation				
Other Services and Charges	-	500,000	195,073	304,927
Capital Outlay	5,860,000	3,500,000	-	3,500,000
Total Culture and Recreation	5,860,000	4,000,000	195,073	3,804,927
Housing and Development				
Economic Development				
Capital Outlay	-	20,000	15,928	4,072
Total Housing and Development	-	20,000	15,928	4,072
Intergovernmental	-	1,850,000	1,843,534	6,466
Total expenditures	11,860,000	14,360,000	3,946,330	10,413,670
Net change in fund balance	$ -	$ -	10,763,790	$ 10,763,790
Fund balance, beginning of year			2,993,092	
Fund balance, end of year			$ 13,756,882	

Non-Major Funds

Paulding County, Georgia

Non-major Governmental Funds

June 30, 2012

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.

Capital Projects Fund

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.

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2012

	Total Nonmajor Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 2,988,480	$ 1,212,382	$ 1,494,861	$ 5,695,723
Receivables, net				
Property taxes	-	369,508	-	369,508
Intergovernmental	-	-	424,975	424,975
Other	295,607	-	-	295,607
Due from other funds	-	-	546,163	546,163
Total assets	$ 3,284,087	$ 1,581,890	$ 2,465,999	$ 7,331,976
Liabilities				
Accounts payable	$ 14,966	$ 1,000	$ 542,104	$ 558,070
Due to other funds	198,374	17,675	-	216,049
Deferred revenue	-	330,646	-	330,646
Total liabilities	213,340	349,321	542,104	1,104,765
Fund Balances				
Restricted fund balance	2,875,181	1,232,569	1,494,861	5,602,611
Committed fund balance	195,566	-	-	195,566
Assigned fund balance	-	-	429,034	429,034
Total fund balances	3,070,747	1,232,569	1,923,895	6,227,211
Total liabilities and fund balances	$ 3,284,087	$ 1,581,890	$ 2,465,999	$ 7,331,976

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2012

	Total Nonmajor Special Revenue	Debt Service	Capital Projects	Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ 6,058,284	$ -	$ 6,058,284
Intergovernmental	-	-	5,319,161	5,319,161
Charges for Services	2,409,307	-	-	2,409,307
Fines and Forfeitures	358,477	-	-	358,477
Investment Income	8,239	6,298	4,227	18,764
Total Revenues	2,776,023	6,064,582	5,323,388	14,163,993
Expenditures				
Current				
Judicial	316,070	-	-	316,070
Public Safety	2,351,609	-	-	2,351,609
Debt Service				
Principal retirement	-	2,545,000	-	2,545,000
Interest and fees	-	3,600,576	-	3,600,576
Capital Outlay	-	-	5,623,195	5,623,195
Total expenditures	2,667,679	6,145,576	5,623,195	14,436,450
Net change in fund balances	108,344	(80,994)	(299,807)	(272,457)
Fund balances, beginning of year	2,962,403	1,313,563	2,223,702	6,499,668
Fund balances, end of year	$ 3,070,747	$ 1,232,569	$ 1,923,895	$ 6,227,211

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue

COMBINING BALANCE SHEET

June 30, 2012

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confiscation	Total Non-Major Special Revenue
Assets										
Cash and cash equivalents	$ 73,142	$ 1,041,284	$ 919,055	$ 156,791	$ 89,194	$ 385,730	$ 105,063	$ 195,566	$ 22,655	$ 2,988,480
Receivables, net										
Other	-	295,607	-	-	-	-	-	-	-	295,607
Total assets	$ 73,142	$ 1,336,891	$ 919,055	$ 156,791	$ 89,194	$ 385,730	$ 105,063	$ 195,566	$ 22,655	$ 3,284,087
Liabilities										
Accounts payable	$ -	$ 8,888	$ -	$ 3,250	$ -	$ 2,828	$ -	$ -	$ -	14,966
Due to other funds	-	187,826	10,548	-	-	-	-	-	-	198,374
Total liabilities	-	196,714	10,548	3,250	-	2,828	-	-	-	213,340
Fund Balances										
Restricted fund balance	73,142	1,140,177	908,507	153,541	89,194	382,902	105,063	-	22,655	2,875,181
Committed fund balance	-	-	-	-	-	-	-	195,566	-	195,566
Total fund balances	73,142	1,140,177	908,507	153,541	89,194	382,902	105,063	195,566	22,655	3,070,747
Total liabilities and fund balances	$ 73,142	$ 1,336,891	$ 919,055	$ 156,791	$ 89,194	$ 385,730	$ 105,063	$ 195,566	$ 22,655	$ 3,284,087

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2012

	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	$ -	$ 1,900,040	$ -	$ -	$ 40,815	$ 120,764	$ 55,489	$ 292,199	$ -	$ 2,409,307
Fines and Forfeitures	98,405	-	215,445	26,985	-	-	-	-	17,642	358,477
Investment Income	-	4,243	2,246	449	187	1,114	-	-	-	8,239
Total Revenues	98,405	1,904,283	217,691	27,434	41,002	121,878	55,489	292,199	17,642	2,776,023
Expenditures										
Current										
Judicial	114,892	-	-	-	-	121,993	56,360	-	22,825	316,070
Public Safety	-	2,018,055	28,721	32,893	8,335	-	-	263,605	-	2,351,609
Total expenditures	114,892	2,018,055	28,721	32,893	8,335	121,993	56,360	263,605	22,825	2,667,679
Net change in fund balances	(16,487)	(113,772)	188,970	(5,459)	32,667	(115)	(871)	28,594	(5,183)	108,344
Fund balances, beginning of year	89,629	1,253,949	719,537	159,000	56,527	383,017	105,934	166,972	27,838	2,962,403
Fund balances, end of year	$ 73,142	$ 1,140,177	$ 908,507	$ 153,541	$ 89,194	$ 382,902	$ 105,063	$ 195,566	$ 22,655	$ 3,070,747

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 125,000	$ 125,000	$ 98,405	$ (26,595)
Total Revenues	125,000	125,000	98,405	(26,595)
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	125,000	125,000	114,892	10,108
Total Judicial	125,000	125,000	114,892	10,108
Total expenditures	125,000	125,000	114,892	10,108
Net change in fund balance	$ -	$ -	(16,487)	$ (16,487)
Fund balance, beginning of year			89,629	
Fund balance, end of year			$ 73,142	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 1,800,000	$ 1,900,000	$ 1,900,040	$ 40
Investment income	-	-	4,243	4,243
Total Revenues	1,800,000	1,900,000	1,904,283	4,283
Expenditures				
Public safety				
Emergency telephone system				
Personnel services	1,485,000	1,455,000	1,453,702	1,298
Other services and charges	529,300	565,000	564,353	647
Total expenditures	2,014,300	2,020,000	2,018,055	1,945
Net change in fund balance	$ (214,300)	$ (120,000)	(113,772)	$ 6,228
Fund balance, beginning of year			1,253,949	
Fund balance, end of year			$ 1,140,177	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 120,000	$ 120,000	$ 215,445	$ 95,445
Investment Income	-	-	2,246	2,246
Total Revenues	120,000	120,000	217,691	97,691
Expenditures				
Public Safety				
Sheriff				
Other Services and Charges	100,000	60,000	28,721	31,279
Capital Outlay	150,000	190,000	-	190,000
Total expenditures	250,000	250,000	28,721	221,279
Net change in fund balance	$ (130,000)	$ (130,000)	188,970	$ 318,970
Fund balance, beginning of year			719,537	
Fund balance, end of year			$ 908,507	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 40,000	$ 40,000	$ 26,985	$ (13,015)
Investment Income	-	-	449	449
Total Revenues	40,000	40,000	27,434	(12,566)
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	40,000	40,000	32,893	7,107
Total Public Safety	40,000	40,000	32,893	7,107
Total expenditures	40,000	40,000	32,893	7,107
Net change in fund balance	$ -	$ -	(5,459)	$ (5,459)
Fund balance, beginning of year			159,000	
Fund balance, end of year			$ 153,541	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 175,000	$ 175,000	$ 40,815	$ (134,185)
Investment Income	-	-	187	187
Total Revenues	175,000	175,000	41,002	(133,998)
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	175,000	175,000	8,335	166,665
Total Public Safety	175,000	175,000	8,335	166,665
Total expenditures	175,000	175,000	8,335	166,665
Net change in fund balance	$ -	$ -	32,667	$ 32,667
Fund balance, beginning of year			56,527	
Fund balance, end of year			$ 89,194	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenue				
Charges for Services	$ 80,000	$ 80,000	$ 120,764	$ 40,764
Investment Income	-	-	1,114	1,114
Total Revenues	80,000	80,000	121,878	41,878
Expenditures				
Judicial				
Clerk's Technology	80,000	80,000	121,993	(41,993)
Total Judicial	80,000	80,000	121,993	(41,993)
Total expenditures	80,000	80,000	121,993	(41,993)
Net change in fund balance	$ -	$ -	(115)	$ (115)
Fund balance, beginning of year			383,017	
Fund balance, end of year			$ 382,902	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 10,000	$ 10,000	$ 55,489	$ 45,489
Total Revenues	10,000	10,000	55,489	45,489
Expenditures				
Judicial				
Court's - other charges	10,000	10,000	56,360	(46,360)
Total Judicial	10,000	10,000	56,360	(46,360)
Total expenditures	10,000	10,000	56,360	(46,360)
Net change in fund balance	$ -	$ -	(871)	$ (871)
Fund balance, beginning of year			105,934	
Fund balance, end of year			$ 105,063	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 300,000	$ 375,000	$ 292,199	$ (82,801)
Total Revenues	300,000	375,000	292,199	(82,801)
Expenditures				
Public Safety				
Sheriff				
Commissary	300,000	375,000	263,605	111,395
Total Public Safety	300,000	375,000	263,605	111,395
Total expenditures	300,000	375,000	263,605	111,395
Net change in fund balance	$ -	$ -	28,594	$ 28,594
Fund balance, beginning of year			166,972	
Fund balance, end of year			$ 195,566	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 125,000	$ 50,000	$ 17,642	$ (32,358)
Total Revenues	125,000	50,000	17,642	(32,358)
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	25,000	25,000	22,825	2,175
Total Judicial	25,000	25,000	22,825	2,175
Public Safety				
Sheriff				
Community Service program	100,000	25,000	-	25,000
Total Public Safety	100,000	25,000	-	25,000
Total expenditures	125,000	50,000	22,825	27,175
Net change in fund balance	$ -	$ -	(5,183)	$ (5,183)
Fund balance, beginning of year			27,838	
Fund balance, end of year			$ 22,655	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 5,700,000	$ 6,000,000	$ 6,058,284	$ 58,284
Investment Income	-	-	6,298	6,298
Total Revenues	5,700,000	6,000,000	6,064,582	64,582
Expenditures				
Debt Service:				
Principal retirement	2,400,000	2,395,000	2,545,000	(150,000)
Interest and fees	3,800,000	3,805,000	3,600,576	204,424
	6,200,000	6,200,000	6,145,576	54,424
Total expenditures	6,200,000	6,200,000	6,145,576	54,424
Net change in fund balance	$ (500,000)	$ (200,000)	(80,994)	$ 119,006
Fund balance, beginning of year			1,313,563	
Fund balance, end of year			$ 1,232,569	

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, 2012

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 6,000,000	$ 5,300,000	$ 5,319,161	$ 19,161
Investment Income	-	-	4,227	4,227
Total Revenues	6,000,000	5,300,000	5,323,388	23,388
Expenditures				
General Government				
Capital Outlay	100,000	100,000	1,731	98,269
Total General Government	100,000	100,000	1,731	98,269
Public Works				
Roads, Highways and Bridges				
Capital Outlay	6,000,000	5,600,000	5,537,466	62,534
Total Public Works	6,000,000	5,600,000	5,537,466	62,534
Culture and Recreation				
Libraries				
Capital Outlay	350,000	-	-	-
Total Culture and Recreation	350,000	-	-	-
Airport				
Capital Outlay	1,000,000	100,000	83,998	16,002
Total Housing and Development	1,000,000	100,000	83,998	16,002
Total expenditures	7,450,000	5,800,000	5,623,195	176,805
Net change in fund balance	$ (1,450,000)	$ (500,000)	(299,807)	$ 200,193
Fund balance, beginning of year			2,223,702	
Fund balance, end of year			$ 1,923,895	

Paulding County, Georgia

Nonmajor Enterprise Funds
COMBINING STATEMENT OF NET ASSETS

June 30, 2012

	Solid Waste	DFACS Building	Totals
ASSETS			
Current Assets			
Cash	$ -	$ 344,701	$ 344,701
Accounts receivable, net	67,366	-	67,366
Due from general fund	61,245	-	61,245
Total current assets	128,611	344,701	473,312
Noncurrent assets			
Capital assets			
Land	612,233	-	612,233
Plant and equipment	2,035,972	3,114,495	5,150,467
Less: accumulated depreciation	(1,709,708)	(798,086)	(2,507,794)
Total noncurrent assets	938,497	2,316,409	3,254,906
Total assets	1,067,108	2,661,110	3,728,218
LIABILITIES			
Current Liabilities			
Accounts payable	23,231	-	23,231
Accrued interest	-	3,378	3,378
Compensated Absences	9,368	-	9,368
Due to general fund	-	5,747	5,747
Current portion of loans payable	-	171,450	171,450
Current portion of post closure care costs	335,278	-	335,278
Total current liabilities	367,877	180,575	548,452
Long-Term Liabilities, net of current portion			
Loans payable	-	758,202	758,202
Post closure care costs	3,017,504	-	3,017,504
Total long-term liabilities	3,017,504	758,202	3,775,706
Total liabilities	3,385,381	938,777	4,324,158
NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	938,497	1,386,757	2,325,254
Unrestricted	(3,256,770)	335,576	(2,921,194)
TOTAL NET ASSETS (DEFICIT)	$ (2,318,273)	$ 1,722,333	$ (595,940)

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

For the year ended June 30, 2012

	Solid Waste	DFACS Building	Total
Operating revenues:			
Miscellaneous revenues	$ 10,178	$ -	$ 10,178
Landfill and recycling fees	754,518	-	754,518
Lease income	-	343,280	343,280
Total operating revenues	764,696	343,280	1,107,976
Operating expenses:			
Salaries and wages	114,826	-	114,826
Fringe benefits	50,050	-	50,050
Operating expenses	630,871	9,807	640,678
Depreciation	63,694	77,862	141,556
Total operating expenses	859,441	87,669	947,110
Operating income (loss)	(94,745)	255,611	160,866
Nonoperating revenues (expenses):			
Interest income	-	287	287
Interest expense	-	(49,133)	(49,133)
Total nonoperating revenue (expenses)	-	(48,846)	(48,846)
Transfer in	200,000	-	200,000
Change in net assets	105,255	206,765	312,020
Total net assets-beginning	(2,423,528)	1,515,568	(907,960)
Total net assets-ending	$ (2,318,273)	$ 1,722,333	$ (595,940)

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

For the year ended June 30, 2012

	Solid Waste	DFACS Building	Total
Cash flows from operating activities:			
Cash received from customer	$ 750,895	$ 343,280	$ 1,094,175
Cash payments for goods and services	(783,984)	(7,113)	(791,097)
Cash payments for employee services and fringe benefits	(166,911)	-	(166,911)
Net cash provided by (used in) operating activities	(200,000)	336,167	136,167
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	-	(163,200)	(163,200)
Interest paid	-	(49,687)	(49,687)
Net cash used in capital and related financing activities	-	(212,887)	(212,887)
Cash flows from investing activities:			
Interest received on investments	-	287	287
Net cash provided by investing activities	-	287	287
Net increase in cash and cash equivalents	-	123,567	123,567
Cash and cash equivalents, July 1	$ -	$ 221,134	$ 221,134
Cash and cash equivalents, June 30	$ -	$ 344,701	$ 344,701
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (94,745)	$ 255,611	$ 160,866
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	(13,801)	-	(13,801)
(Decrease) in accounts payable	(6,162)	-	(6,162)
(Decrease) in compensated absences payable	(2,035)	-	(2,035)
Increase/(Decrease) in due to other funds	(186,431)	2,694	(183,737)
Increase in post closure care costs	39,480	-	39,480
Total adjustments	(105,255)	80,556	(24,699)
Net cash provided (used) by operating activities	$ (200,000)	$ 336,167	$ 136,167

Fiduciary Funds

Paulding County, Georgia

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

June 30, 2012

ASSETS

	Agency Funds					
	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Judge	Court Administration	Total
Assets						
Cash and cash equivalents	$ 342,080	$ 1,106,523	$ 53,461	$ 97,553	$ 23,111	$ 1,622,728
Taxes receivable	3,962,360	-	-	-	-	3,962,360
	$ 4,304,440	$ 1,106,523	$ 53,461	$ 97,553	$ 23,111	$ 5,585,088

LIABILITIES

Liabilities						
Due to others	$ 4,304,440	$ 1,106,523	$ 53,461	$ 97,553	$ 23,111	$ 5,585,088
Total liabilities	$ 4,304,440	$ 1,106,523	$ 53,461	$ 97,553	$ 23,111	$ 5,585,088

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2012

	June 30, 2011	Additions	Deductions	Eliminations	June 30, 2012
Tax Commissioner					
ASSETS					
Cash	$ 457,212	$ 100,299,687	$ 100,400,576	$ 14,243	$ 342,080
Taxes Receivable	3,638,304	80,614,077	80,290,021	-	3,962,360
Total Assets	$ 4,095,516	$ 180,913,764	$ 180,690,597	$ 14,243	$ 4,304,440
LIABILITIES					
Due to Others	$ 4,095,516	$ 180,913,764	$ 180,690,597	$ 14,243	$ 4,304,440
Total Liabilities	$ 4,095,516	$ 180,913,764	$ 180,690,597	$ 14,243	$ 4,304,440
Clerk of Superior Court					
ASSETS					
Cash	$ 1,151,751	$ 4,901,837	$ 4,929,750	$ 17,315	$ 1,106,523
Total Assets	$ 1,151,751	$ 4,901,837	$ 4,929,750	$ 17,315	$ 1,106,523
LIABILITIES					
Due to Others	$ 1,151,751	$ 4,901,837	$ 4,929,750	$ 17,315	$ 1,106,523
Total Liabilities	$ 1,151,751	$ 4,901,837	$ 4,929,750	$ 17,315	$ 1,106,523
Sheriff					
ASSETS					
Cash	$ 122,880	$ 816,665	$ 886,084	$ -	$ 53,461
Total Assets	$ 122,880	$ 816,665	$ 886,084	$ -	$ 53,461
LIABILITIES					
Due to Others	$ 122,880	$ 816,665	$ 886,084	$ -	$ 53,461
Total Liabilities	$ 122,880	$ 816,665	$ 886,084	$ -	$ 53,461

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2012

	June 30, 2011	Additions	Deductions	Eliminations	June 30, 2012
Probate Judge					
ASSETS					
Cash	$ 107,405	$ 1,777,712	$ 1,783,253	$ 4,311	$ 97,553
Total Assets	$ 107,405	$ 1,777,712	$ 1,783,253	$ 4,311	$ 97,553
LIABILITIES					
Due to Others	$ 107,405	$ 1,777,712	$ 1,783,253	$ 4,311	$ 97,553
Total Liabilities	$ 107,405	$ 1,777,712	$ 1,783,253	$ 4,311	$ 97,553
Court Administration					
ASSETS					
Cash	$ 14,437	$ 719,552	$ 710,878	$ -	$ 23,111
Total Assets	$ 14,437	$ 719,552	$ 710,878	$ -	$ 23,111
LIABILITIES					
Due to Others	$ 14,437	$ 719,552	$ 710,878	$ -	$ 23,111
Total Liabilities	$ 14,437	$ 719,552	$ 710,878	$ -	$ 23,111
Totals					
ASSETS					
Cash	$ 1,853,685	$ 108,515,453	$ 108,710,541	$ 35,869	$ 1,622,728
Taxes Receivable	3,638,304	80,614,077	80,290,021	-	3,962,360
Total Assets	$ 5,491,989	$ 189,129,530	$ 189,000,562	$ 35,869	$ 5,585,088
LIABILITIES					
Due to Others	$ 5,491,989	$ 189,129,530	$ 189,000,562	$ 35,869	$ 5,585,088
Total Liabilities	$ 5,491,989	$ 189,129,530	$ 189,000,562	$ 35,869	$ 5,585,088

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX III EXPENDITURES

For the Year Ended June 30, 2012

	Original Budgeted Cost	Expenditures Prior Years	Expenditures Current Year	Total
Roads, streets and bridges	$ 40,500,000	$ 33,023,737	$ 3,611,986	$ 36,635,723
Public Safety and Fire Protection Facilities and Equipment	12,150,000	9,181,551	1,702,619	10,884,170
Recreation	28,350,000	18,021,256	289,824	18,311,080
	81,000,000	60,226,544	5,604,429	65,830,973
Cities				
Dallas Projects	5,580,000	4,204,080	-	4,204,080
Hiram Projects	3,420,000	2,576,694	-	2,576,694
Total City Projects	9,000,000	6,780,774	-	6,780,774
Total SPLOST Projects	$ 90,000,000	$ 67,007,318	$ 5,604,429	$ 72,611,747
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	$ 71,828,699	$ 5,604,429	$ 77,433,128

*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, 2012

	Original Budgeted Cost	Expenditures Prior Years	Expenditures Current Year	Total
Roads, streets and bridges	$ 47,528,348	$ -	$ 1,614,778	$ 1,614,778
Public Safety and Fire Protection Facilities and Equipment	17,554,024	-	-	-
Recreation	16,560,400	-	195,073	195,073
Economic Development: Fiber Optic Communications	1,159,228	2,524	15,928	18,452
	82,802,000	2,524	1,825,779	1,828,303
Cities				
Dallas Projects	6,840,000	247,429	1,033,757	1,281,186
Hiram Projects	5,358,000	193,819	809,777	1,003,596
Total City Projects	12,198,000	441,248	1,843,534	2,284,782
Total SPLOST Projects	$ 95,000,000	$ 443,772	$ 3,669,313	$ 4,113,085
Non-SPLOST expenditures*				
Roads, streets and bridges	$ -	$ -	$ 277,017	$ 277,017
Public Safety and Fire Protection Facilities and Equipment	-	-	-	-
Recreation	-	-	-	-
	-	-	277,017	277,017
Total Projects	$ 95,000,000	$ 443,772	$ 3,946,330	$ 4,390,102

*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	$ 277,017

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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Operating Information
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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 2004; schedules presenting Government-wide information include information beginning that year.

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 317,191
Restricted	15,793	12,633	17,220	17,663	24,221	31,811	33,746	33,998	38,480
Unrestricted	19,468	24,749	21,276	20,858	19,522	18,027	20,674	24,187	27,326
Total governmental activities net assets	$ 80,466	$ 91,855	$ 116,404	$ 278,144	$ 313,119	$ 336,743	$ 351,460	$ 367,577	$ 382,997
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	$ 109,919
Restricted	11,370	5,510	9,743	29,199	28,721	19,904	18,497	20,760	18,101
Unrestricted	526	942	6,716	4,201	521	2,562	6,885	5,811	10,533
Total business-type activities net assets	$ 61,081	$ 72,841	$ 92,597	$ 131,906	$ 143,756	$ 143,931	$ 136,174	$ 137,264	$ 138,553
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	$ 427,110
Restricted	27,163	18,143	26,963	46,862	52,942	51,715	52,243	54,758	56,581
Unrestricted	19,994	25,691	27,992	25,059	20,043	20,589	27,559	29,998	37,859
Total primary government net assets	$ 141,547	$ 164,696	$ 209,001	$ 410,050	$ 456,875	$ 480,674	$ 487,634	$ 504,841	$ 521,550
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	$ 521,550

Paulding County, Georgia
Changes in Net Assets
Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year								
Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	$ 12,828,690
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	4,968,486
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	30,727,439
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	20,546,641
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	3,338,955
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	1,720,419
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	2,905,201
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	3,434,916
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	80,470,747
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	24,760,061
DFACS facility lease	180,063	163,367	164,911	159,522	182,939	160,480	149,806	145,342	136,802
Landfill	637,634	601,953	615,454	710,594	871,377	2,906,377	918,100	920,355	859,441
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	25,756,304
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	$ 106,227,051
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	$ 1,864,262
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	3,346,870
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	2,654,077
Public works	-	-	-	-	1,061,657	1,021,306	1,069,047	1,181,796	1,084,215
Housing and development	2,614,054	2,643,806	3,152,666	2,833,646	1,377,107	713,609	444,926	269,317	283,264
Other activities	945,817	1,070,636	1,121,734	1,283,062	340,607	352,270	344,837	372,423	452,223
Operating grants and contributions	764,889	1,091,666	386,169	713,552	889,127	1,311,103	455,452	726,533	866,016
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	12,311,297
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	$ 22,862,224

Paulding County, Georgia
Changes in Net Assets
Last Nine 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	2012
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	$ 24,930,836
DFACS facility lease	322,645	322,644	322,644	322,644	332,499	332,499	332,876	333,315	343,280
Landfill	593,213	606,816	535,276	640,178	644,878	683,249	762,270	742,281	764,696
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	762,232
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	26,801,044
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	$ 49,663,268
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)	$ (57,608,523)
Business-type activities:	7,041,863	11,969,369	17,850,743	37,403,839	9,924,807	(770,121)	955,324	807,583	1,044,740
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)	$ (56,563,783)
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	$ 25,592,760
Property taxes, levied for debt service	1,615,925	1,808,657	1,602,183	833,526	2,033,312	2,129,805	6,221,571	6,340,442	6,025,724
Property taxes, levied for fire service	-	-	-	-	7,780,368	8,382,153	7,833,792	6,922,416	6,354,045
Intangible recording tax	1,320,102	1,402,596	1,805,890	1,725,334	1,260,788	961,019	658,540	618,349	669,945
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	12,514,606
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	14,357,398
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	5,311,731
Alcoholic beverage tax	365,502	407,461	445,758	485,651	527,919	620,450	664,404	669,278	669,606
Cable TV franchise tax	515,871	573,248	642,489	765,247	845,204	944,382	1,016,474	1,047,225	1,226,183
Real estate transfer tax	271,777	294,327	714,825	623,254	280,516	211,081	111,904	95,218	92,049
Business tax	-	-	-	-	-	-	-	292,780	317,596
Interest earned on investments	254,473	381,469	954,267	2,090,528	3,591,790	781,676	193,452	96,630	82,470
Gain on sale of capital assets	-	-	-	-	-	-	-	-	14,488
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)	(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	73,028,601
Business-type activities	258,625	370,696	907,825	1,904,681	1,924,851	445,117	(2,342,023)	281,978	244,214
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	$ 73,272,815
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	$ 15,420,078
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	1,288,954
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	$ 16,709,032

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Non-Spendable fund balance	$ 347,427	$ 405,981	$ 382,337	$ 403,708	$ 403,053	$ 433,881	$ 348,125	$ 328,649	$ 369,532	$ 401,964
Restricted									351,717	-
Assigned	522,940	262,713	115,338	463,458	635,774	879,252	724,303	3,094,253	3,647,117	2,820,546
Unassigned	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	23,264,808
Total General Fund	$ 14,414,045	$ 17,427,365	$ 19,824,865	$ 22,518,480	$ 23,535,107	$ 21,412,071	$ 16,921,669	$ 19,893,122	$ 22,727,733	$ 26,487,318
All other governmental funds										
Restricted fund balance	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	39,231,507
Committed fund balance	-	-	-	-	-	-	-	-	166,972	195,566
Assigned fund balance	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	429,034
Total all other governmental funds	$ 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	$ 39,856,107

*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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 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	$ 72,726,010
Licenses and permits	1,475,535	1,755,005	1,615,642	1,770,807	1,684,058	827,043	418,666	314,199	396,477	401,286
Intergovernmental*	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	8,602,078
Charges for services	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	7,086,883
Fines and forfeitures	685,827	844,115	1,037,912	931,095	929,701	1,429,305	1,870,675	2,177,006	1,916,401	1,809,874
Investment earnings	352,582	254,473	381,469	954,266	2,056,682	3,591,789	781,674	193,451	182,125	158,175
Contributions and donations	5,150	4,296	332,477	38,527	48,479	1,253,773	881,872	469,124	596,635	202,237
Miscellaneous	173,240	306,625	292,751	226,527	320,787	525,657	442,094	544,246	314,047	384,871
Total revenues	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	91,371,414
Expenditures										
General government	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	10,233,219
Judicial	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	5,005,183
Public Safety	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	29,174,642
Public works	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	11,866,358
Health and welfare	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	1,692,810
Culture and recreation	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	2,600,661
Housing and development	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	2,048,471
Capital outlay	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	13,348,602
Debt service										
Principal	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	2,545,000
Interest	868,299	722,878	520,215	430,496	405,656	3,181,795	4,034,357	3,860,850	3,693,609	3,600,576
Issuance costs	-	-	-	-	1,107,269	-	-	138,064	-	-
Intergovernmental	-	-	-	-	-	-	-	1,350,696	1,439,814	1,843,534
Total expenditures	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	83,959,056
Excess of revenues over (under) expenditures	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	7,412,358
Other financing sources (uses)										
Transfers in	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	(2,565,529)	(195,500)	(3,555,500)	(3,975,600)	(3,788,506)	(6,172,500)	(7,460,000)	(2,535,000)	(200,000)	(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)	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	35,163	14,488
Total other financing sources (uses)	(25,000)	(50,000)	-	(50,000)	83,516,868	1,687,775	(500,000)	2,308,659	(164,837)	(185,512)
Net change in fund balances	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	7,226,846
Debt service as a percentage of noncapital expenditures	6.98%	6.18%	5.67%	2.99%	3.70%	7.47%	10.31%	10.38%	9.75%	8.63%

* Intergovernmental revenue varies according to the grants received.

Paulding County, Georgia
Assessed and Estimated Actual Value of Taxable Property
Last Ten 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
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
2011	2,401,829	88,174	782,267	3,272,271	11.47	8,180,677

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
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
2011	7.60	7.60	1.87	2.00	11.47	18.91	0.00	18.91	0.25	3.79	-	34.42

Source: Paulding County Board of Commissioners Minutes

Paulding County, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2012

	2012			2003		
Taxpayer	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	$ 882,549	1	2.52%	$ 323,277	1	2.36%
City of Atlanta	374,152	3	1.07%	136,798	9	1.00%
Jones Co. Ltd.	315,532	8	0.90%	284,246	2	2.07%
IA Hiram Smith L.L.Cl	349,171	5	1.00%			
Norfolk Southern	317,061	7	0.90%	172,202	7	1.26%
Henry Hirsch				197,734	5	1.44%
Wal-Mart	259,424	10	0.74%	183,716	6	1.34%
Georgia Transmission Corp.	681,943	2	1.94%			
Inland Container				159,193	8	1.16%
Federal National Mortgage Association	368,649	4	1.05%			
Georgia Power Company	267,990	9	0.76%	136,314	10	0.99%
BellSouth Communications	324,359	6	0.92%	263,596	3	1.92%
Fourth Quarter				263,463	4	1.92%

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
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%	893,581	37,263,403	96.17%
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%	1,308,678	34,483,322	100.00%
2012	35,071,547	34,158,441	97.40%	-	34,158,441	97.40%

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
2003	$ 11,420,000	$ 3,633,912	$ 31,725,000	$ 1,078,879	$ 2,305,873	$ 50,163,664	2.13%	$ 501
2004	11,020,000	2,071,478	30,645,000	958,937	2,151,923	46,847,338	1.90%	442
2005	10,400,000	417,163	43,200,000	831,616	1,991,867	56,840,646	2.15%	499
2006	9,740,000	-	41,555,000	713,015	1,825,465	53,833,480	1.89%	445
2007	88,925,000	-	39,785,000	570,605	1,670,037	130,950,642	4.56%	1,044
2008	86,990,000	-	37,930,000	419,435	1,537,266	126,876,701	4.41%	992
2009	84,540,000	-	51,730,000	258,966	1,396,653	137,925,619	3.51%	1,036
2010	81,780,000	-	48,455,000	6,829,724	1,248,440	138,313,164	3.12%	1,012
2011	79,385,000	-	45,595,000	6,438,771	1,092,852	132,511,623	2.70%	931
2012	76,840,000	-	42,595,000	5,999,669	929,652	126,364,321	2.58%	880

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
2003	100,071	$ 2,249,122	$ 11,420,000	$ 493,971	$ 10,926,029	0.49%	$ 109
2004	106,075	2,535,908	11,020,000	1,043,272	9,976,728	0.39%	94
2005	113,807	2,846,496	10,400,000	1,796,736	8,603,264	0.30%	76
2006	120,841	3,258,784	9,740,000	2,469,702	7,270,298	0.22%	60
2007	125,351	3,876,067	88,925,000	2,472,717	86,452,283	2.23%	690
2008	127,906	4,346,839	86,990,000	1,285,973	85,704,027	1.97%	670
2009	133,135	4,586,937	84,540,000	1,275,280	83,264,720	1.82%	625
2010	136,655	4,322,570	81,780,000	1,059,728	80,720,272	1.87%	591
2011	142,324	3,586,423	79,385,000	1,313,563	78,071,437	2.18%	549
2012	143,542	3,272,271	76,840,000	1,232,569	75,607,431	2.31%	527

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, 2012

Governmental Unit	Debt Outstanding	Estimated* Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
General Obligation Bonds	$ 76,840,000	100%	$ 76,840,000
Total Direct	76,840,000		76,840,000
Overlapping:			
Paulding County School District:			
General Obligation Bonds	121,705,000	90%	109,534,500
Capital Leases	2,573,431	90%	2,316,088
City of Dallas			
Intergovernmental Contracts	6,445,000	6%	386,700
GEFA Loans	4,105,126	6%	246,308
Total Overlapping:	134,828,557		112,483,596
Total Direct and Overlapping	$ 211,668,557		$ 189,323,596

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed Value of Property	$ 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	$ 3,272,270,626
Less: Special Homestead Exemption	(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)	(225,191,114)
Exempt of all County Taxes and Freeport	-	-	-	-	-	-	-	-	-	-
Assessed Value for Bond Purposes	$ 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	$ 3,047,079,512
Debt Limit - 10% of Assessed Value	$ 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	$ 304,707,951
Amount of Debt Applicable to Debt Limit:										
Total Long-Term Debt	$ 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	$ 76,840,000
Less: Available in Debt Service Fund	(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)	(1,232,569)
Total Amount Applicable to Debt Limit	$ 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	$ 75,607,431
Legal Debt Margin	$ 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	$ 229,100,520
Total net debt applicable to the limit as a percentage of debt limit	5.07%	4.08%	3.15%	2.33%	23.44%	20.68%	19.06%	19.68%	22.98%	24.81%

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
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	2,003,118	4,863,118	1.51
2012	24,829,896	16,961,111	7,868,785	3,000,000	1,883,644	4,883,644	1.61

(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)
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%
2012	143,542	4,902,246	34,152	8.7%

(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

	2012			2003		
Employer	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
Paulding County Board of Education	3808	1	5.62%	1300	1	2.69%
Paulding County Government	775	4	1.14%	593	2	1.23%
Wal-mart Associates Inc.	1715	3	2.53%	500	3	1.04%
WellStar Health System Inc	3789	2	5.60%	350	4	0.72%
Home Depot	150	8	0.22%	130	7	0.27%
Metromont Prestress Company				200	6	0.41%
Target Corporation	160	7	0.24%			
Jim-N-Nicks	130	9	0.19%			
Shaw Industries				219	5	0.45%
Kroger	671	5	0.99%			
BellSouth Telecommunications				115	8	0.24%
Aiken Grading				90	9	0.19%
Publix Super Markets	175	6	0.26%	88	10	0.18%
Rambo Nursery	30	10	0.04%			

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General Government	66	69	78	82	85	84	81	77	74	74
Judicial	43	49	45	47	71	70	70	64	62	62
Public Safety	47	52	60	61	61	54	44	47	47	48
Firefighters	52	61	69	75	81	85	112	118	129	129
Sheriff	193	209	230	240	269	268	269	278	268	272
Public Works	77	80	87	94	96	94	88	88	80	80
Department of Transportation	53	58	59	61	64	61	59	53	55	55
Health and welfare	10	11	9	9	8	8	8	8	7	7
Culture and recreation	35	37	36	37	38	39	34	34	35	35
Housing and development	23	23	26	28	25	25	12	13	14	13
Total	593	646	681	734	798	788	777	780	771	775

Source: Paulding County Finance Department - Budget Documents

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Public Safety										
Animal Control cases	5,890	6,108	5,810	5,866	7,801	6,513	5,898	5,232	4,983	3,868
Emergency 911 ** call volume	236,877	275,497	111,065 *	140,673	188,029	203,401	228,760	218,627	218,627	285,813
Marshall call volume	3,216	1,123	999	1,272	1,190	986	1,094	831	1,725	3,133
Fire call volume	7,344	8,045	8,907	8,659	9,001	9,140	9,297	9,799	10,379	10,772
Sheriff call volume	41,342	52,334	44,621	46,233	58,054	73,221	71,054	71,925	71,925	64,197
Health and welfare										
Senior Programs	1,003	1,110	1,213	1,265	1,485	1,400	1,092	1,100	1,080	1,085
Transit Trips	9,254	28,658	34,622	38,680	29,470	39,745	42,809	43,450	43,520	43,200
Meals on Wheels	n/a	n/a	n/a	3,828	18,571	19,620	29,107	29,220	29,200	29,150
Culture and recreation										
Recreation programs	61	64	79	98	110	103	165	115	121	180
Housing and development										
Permits issued	2,693	3,202	3,460	3,686	2,953	1,600	812	741	536	474

* 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General Government										
Buildings	49	50	50	51	51	51	51	52	52	52
Public Safety										
Fire stations	9	10	10	10	10	10	10	11	12	12
Culture and recreation										
Acreage	650	650	650	832	923.4	1014.8	1106.2	1197.6	1197.6	1197.6
Parks	8	8	8	10	11	11	11	11	11	11