Comprehensive Annual Financial Report
Paulding County, Georgia
For the fiscal year ended
June 30, 2013

Prepared by
Department of Finance

I. Introductory Section

Comprehensive Annual Financial Report

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For Fiscal Year Ended June 30, 2013

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PAULDING COUNTY BOARD OF COMMISSIONERS

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

December 16, 2013

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2013, 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 144,800.

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 8.3% represents a slight decrease from last year and is slightly lower than the rate of 8.5% 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 81.5% and 9% of the families living below the poverty level, compared to State averages of 66.8% and 16.5%, respectively.

The County's rapid residential growth slowed substantially in 2008. However, we are beginning to see signs of recovery. 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 third 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 2013, as a result of conservative spending policies and budget control measures. The unassigned fund balance of $28,007 represents 209 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 61 % 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 $3,579 for landfill closure and post closure care costs as of June 30, 2013. 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, 2013, the County had a number of debt issues outstanding. These issues included $73,870 of general obligation bonds, and $39,490 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, 2013, the County's net general obligation bonded debt of $72,354 was well below the legal limit of $278,741. General obligation debt per capita equaled $500 (five hundred 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 2014. 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.

To address the leisure and recreational needs of its family-focused community, the County has constructed four multipurpose parks. 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. A smaller 7 acre passive park located at the Watson Government Complex is planned to open in 2014.

To address the future water supply needs, the County is currently in the final permitting stages of the Richland Creek Reservoir. The County is in the preliminary design stage of this project which is expected to be final in 2014. All permitting requirements should be complete in 2014 and construction should begin in 2015.

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 2013 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 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. A 60 acre industrial park also known as West Memorial Park has been constructed in the City of Dallas off of West Memorial Drive. The most notable business park is the 100 acre Class A Paulding Commerce Park. 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 2014.

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, 2012. This was the seventeenth, consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

Tabitha Pollard
Finance Director

Michael L. Jones, P.E.
County Administrator

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Paulding County

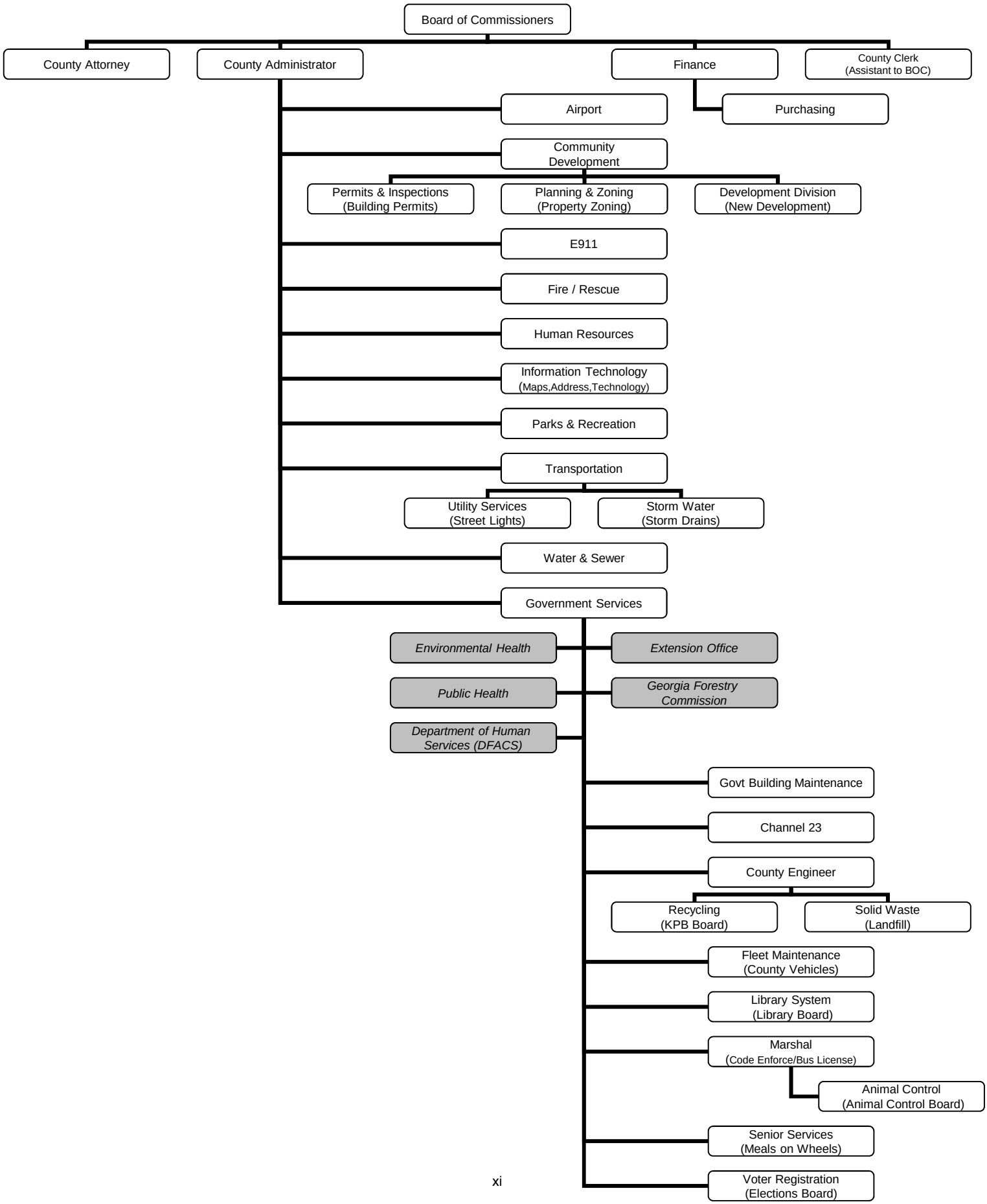
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Paulding County, Georgia
Organization Chart



PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2013

BOARD OF COMMISSIONERS

David Austin	Chairman
David Carmichael	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

Board of Commissioners
of Paulding County, Georgia
Dallas, Georgia

Report of the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Paulding County Board of Health, the Paulding County Industrial Building Authority, and the Paulding County Airport Authority, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Paulding County Board of Health, the Paulding County Industrial Building Authority, and the Paulding County Airport Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Paulding County, Georgia, as of June 30, 2013 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.

Emphasis of Matter

As discussed in Notes A and P, Paulding County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 6 through 14), schedule of funding progress (on page 68), and budgetary comparison information (on pages 69 through 70) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual 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 basic financial statements. The introductory and statistical sections are also presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds (collectively "the supplementary information") are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 13, 2013, 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* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2013

Management's Discussion and Analysis

As management of Paulding County Government, we offer readers of Paulding County's financial statements this narrative overview and analysis of the financial activities of Paulding County for the fiscal year ended June 30, 2013. 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, 2013, by $540,487 (net position), an increase of $20,201 from the prior year. Of this amount, $49,416 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2013, Paulding County's governmental funds reported combined ending fund balances of $77,564, an increase of $11,221 from the prior year. Approximately $28,007 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 $28,007, or 57 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net decreased by $3,205 from the prior year and the total general obligation long-term debt at June 30, 2013 was $73,870, compared to a legal debt limit of $278,741.

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 Position and the Statement of Activities and can be found on pages 16 through 19 of this report.

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

The Statement of Activities presents information showing how Paulding County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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 position 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 16 – 19 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 capital projects fund all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 20 through 23 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 98 through 100.

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 29.

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 30 through 66.

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 68 through 70 of this report.

Government-wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of the County's financial position. As of June 30, 2013, Paulding County's combined (government and business-type activities) assets exceeded liabilities by $540,488. A significant portion of the County's net position, 80 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	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 85,543	$ 75,776	$ 39,393	$ 37,185	$ 124,936	$ 112,961
Capital Assets	400,114	395,084	156,568	160,690	556,682	555,774
Deferred outflows of resources	18	-	715	-	733	-
Total Assets and deferred outflows of resources	485,675	470,860	196,676	197,875	682,351	668,735
Long-term liabilities outstanding	80,655	82,791	51,874	54,490	132,529	137,281
Other liabilities	4,570	5,072	4,764	4,832	9,334	9,904
Total liabilities	85,225	87,863	56,638	59,322	141,863	147,185
Net assets:						
Net investment in capital assets	323,994	317,191	109,324	109,919	433,318	427,110
Restricted	40,181	38,480	17,573	18,101	57,754	56,581
Unrestricted	36,275	27,326	13,141	10,533	49,416	37,859
Total net position	$ 400,450	$ 382,997	$ 140,038	$ 138,553	$ 540,488	$ 521,550

An additional portion of the County' net position for governmental activities, $40,181; and for business-type activities, $17,573, 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 $8,822 for business-type activities is restricted to water and sewer system improvements and $8,751 is restricted for debt service. The remaining balances of unrestricted net position, $36,275 for governmental activities, and $13,111 for business-type activities may be used to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2013, Paulding County is able to report positive balances in all categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

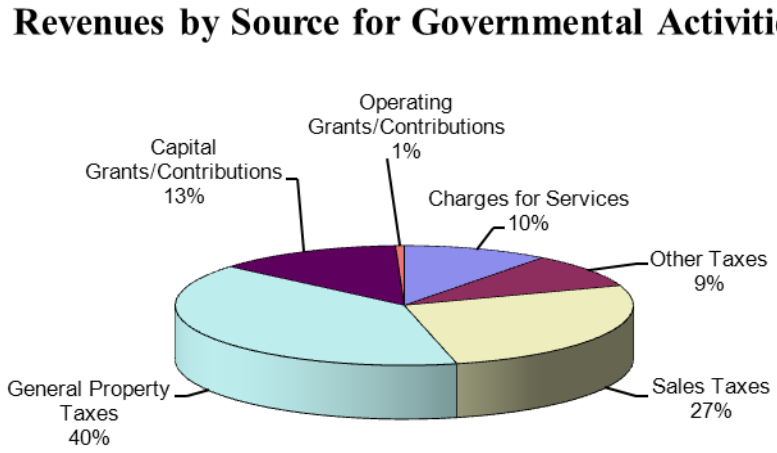
Paulding County's property taxes increased $1,984 a 5% increase from the prior year. Sales and other taxes increased by $890 or about 3% from last year. Approximately 27% of the County's total revenue from governmental activities came from sales tax and 40 % from property tax. Charges for goods and services provided about 10 % of governmental revenue. Increase in capital grants and contribution is the result of state and federal participation in East Hiram Parkway, Airport land acquisition.

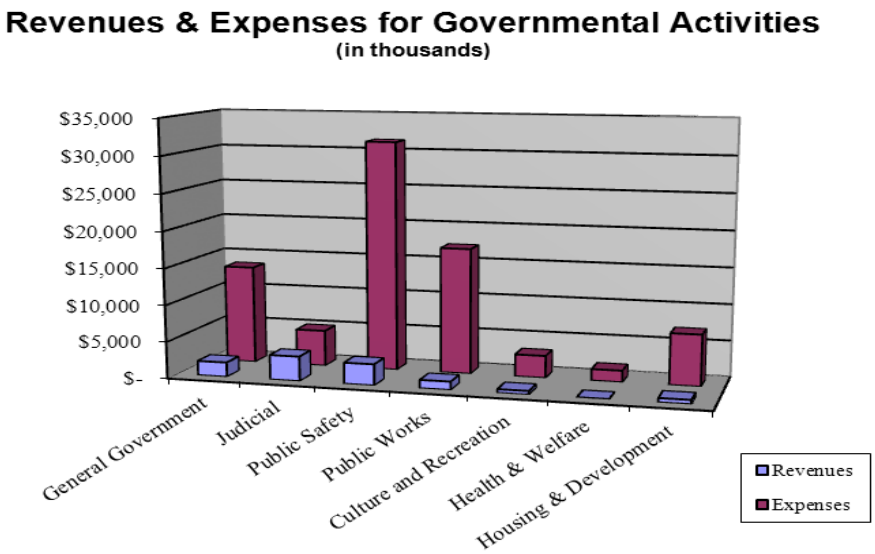
The County's largest expense is for Public Safety (Sheriff, Fire, Marshall, E-911, EMA and Animal Control), at $31,408, or 38% of total governmental expenses.

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

	Governmental Activities		Business-type Activities		Total	
Revenues:	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	$ 10,328	$ 9,685	$ 26,480	$ 26,039	$ 36,808	$ 35,724
Operating grants and contributions	619	866	-	-	619	866
Capital grants and contributions	13,269	12,311	1,677	762	14,946	13,073
General Revenues:			-	-	-	
Property taxes	39,956	37,972	-	-	39,956	37,972
Other taxes	36,049	35,159	-	-	36,049	35,159
Other	77	97	60	44	137	141
Total Revenues	100,298	96,090	28,217	26,845	128,515	122,935
Expenses:						
General government	13,486	12,829	-	-	13,486	12,829
Judicial	4,951	4,968	-	-	4,951	4,968
Public safety	31,408	30,727	-	-	31,408	30,727
Public works	17,230	20,547	-	-	17,230	20,547
Culture and recreation	3,036	3,339	-	-	3,036	3,339
Health and welfare	1,572	1,720	-	-	1,572	1,720
Housing and development	7,010	2,905	-	-	7,010	2,905
Interest on long-term debt	3,253	3,435	-	-	3,253	3,435
Water and sewer	-	-	25,299	24,760	25,299	24,760
Other programs	-	-	1,069	996	1,069	996
Total Expenses	81,946	80,470	26,368	25,756	108,314	106,226
Increase in net position before transfers	18,352	15,620	1,849	1,089	20,201	16,709
Transfers	(200)	(200)	200	200	-	-
Change in net position	18,152	15,420	2,049	1,289	20,201	16,709
Net position -beginning, before restatement	382,997	367,577	138,553	137,264	521,550	504,841
Restatement	(699)	-	(564)	-	(1,263)	-
Net position-beginning, after restatement	382,298	367,577	137,989	137,264	520,287	504,841
Net position ending	$ 400,450	$ 382,997	$ 140,038	$ 138,553	$ 540,488	$ 521,550

The $18,152 increase in net position 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 $2,049 increase in net position for business-type activities was the result of revenues exceeding expenses. The Landfill's long term liabilities of $3,579 allow for closure and post-closure care costs.





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 2013 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is $77,564. Of that amount, fund balances in the County's four major funds are $35,501 in the General Fund, $2,167 in the Capital Projects Fund, $8,703 in SPLOST III Fund and $21,217 in SPLOST IV. Approximately 36 percent of total governmental fund balances, $28,007 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) 2013 outstanding encumbrances $3,565, future landfill closure cost $1,425, and $1,922, was obligated to the 2014 adopted budget, and $102 assigned to Library. 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 ($480) to indicate that it is not available for new spending because it is restricted 1) to pay debt service ($1,516); 2) fire department expenditures ($5,317);and 3) for other restricted purposes ($4,015). The $29,920 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 $28,007, while total fund balance was $35,501. 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 57% of total General Fund expenditures, while total fund balance represents 73 % of that same amount.

The fund balance of the General Fund increased by $9,014. While operational revenues increased as well as tax revenue, expenditures remained lower due to the reduction measures imposed over the past few years. Changes in revenue for all governmental funds from the prior year are as follows:

- Total revenue increased by $9,319 from the prior year.
- Property tax revenue increased by $1,983 as a result of a slight decrease in residential property values as well as a slight increase in the millage rate along with the imposition of the motor vehicle ad valorem tax, while the local option sales tax decreased by $149.
- Charges for services increased by $431, as a result of a slight increase in residential development as well as a decline in judicial fees.

The fund balance of the Fire Tax Fund increased by $709. 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 $6,561. The fund balance of SPLOST IV has increased by $7,461. 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 are 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 increased by $243. This increase was due to a federal reimbursement for land acquisition at the airport.

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 2013 was $25,296 representing an increase of 2 % from 2012. The

County, along with other metro counties subsequently implemented a rate increase to offset the 2% increase in expenses. The cost of the County's water purchased increased 7% from 2012. 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 $1,525. The most notable expenditure amendments are as follows:

- Public Works increased by $1,378 due to additional maintenance and asphalt contracts issued. The cost of this expenditure was partly covered by the State of Georgia.
- Public Safety decreased by $15 and Housing & Development decreased by $11due to conservative spending.
- General Government increased by $63 due to unforeseen increased cost in elections and Judicial increased by $64.

Property values declined again in 2012, the millage rate was increased to balance the reduction anticipated in property taxes. However the implementation of the motor vehicle title ad valorem tax resulted in a $2 increase to property taxes, other taxes increased by 3% with a sales tax decrease of $149. Total tax revenue increased by $1,379 with $1,185 due to the implementation of the motor vehicle title advalorem tax. At June 30, 2013, General Fund revenues exceeded estimates by $ 6,124, and expenditures were $3,245 less than budget. The General Funds balance increased by $9,014.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2013. Expenditures were evaluated throughout the year . Actual expenditures were 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, 2013 amounts to $433,318(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 1 percent. Additional information on Paulding County's capital assets can be found in note E on pages 44 through 47 of this report.

Long-term debt: At June 30, 2013, Paulding County had a total of $113,360 in outstanding bonded debt. That amount represents $73,870 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and $39,490 in Water and Sewer Revenue Bonds. The County also had one installment purchase agreement with an outstanding balance of $758, two Georgia Environmental Finance Authority loans totaling $615 and $768, and an intergovernmental payable of $5,090.

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 48 through 56.

Economic Factors and Next year's Budgets and Rates

- The unemployment rate for Paulding County was down slightlyfrom last year, at 8.3%. This rate compared to the state's rate of 8.5%.
- For the tax year 2012, the County's total tax digest decreased by $60,180 or 8%. 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 4.36 mills for the 2012 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 POSITION
June 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
ASSETS						
Cash and cash equivalents	$ 76,207,881	$ 16,628,900	$ 92,836,781	$ 722,721	$ 2,300,421	$ 135,052
Restricted cash	-	18,642,294	18,642,294	-	2,220,935	-
Due from other governments	2,024,854	-	2,024,854	124,061	8,618,516	-
Taxes receivable	3,378,611	-	3,378,611	-	-	-
Internal balances	(185,133)	185,133	-	-	-	-
Other receivables	832,333	3,446,520	4,278,853	142	138,452	3,900
Due from component units	2,393,982	105,995	2,499,977	-	-	-
Due from primary government	-	-	-	-	5,090,000	-
Inventories and prepaids	479,709	235,497	715,206	3,523	-	-
Net Pension Asset	290,959	-	290,959	-	-	-
Capital Assets not being depreciated:						
Land	51,090,599	2,033,030	53,123,629	-	2,555,420	3,863,253
Construction In Progress	37,521,818	166,187	37,688,005	-	411,126	63,832
Capital assets, net of accumulated depreciation						
Buildings	117,483,771	3,551,844	121,035,615	-	822,677	261,870
Furniture, Equipment and Vehicles	6,835,798	628,378	7,464,176	21,023	68,597	743
Infrastructure	187,182,477	150,189,210	337,371,687	-	6,435,998	1,975,480
Other non-current assets	-	-	-	-	5,249	-
Prepaid bond insurance	118,651	148,584	267,235	-	-	-
Total assets	485,656,310	195,961,572	681,617,882	871,470	28,667,391	6,304,130
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	18,241	714,711	732,952	-	161,373	-
Total assets and deferred outflows of resources	485,674,551	196,676,283	682,350,834	871,470	28,828,764	6,304,130

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF NET POSITION - CONTINUED
June 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
LIABILITIES						
Accounts payable	2,254,635	1,143,129	3,397,764	880	15,558	1,910
Accrued liabilities	602,721	-	602,721	-	3,288	-
Due to primary government	-	-	-	-	2,499,977	-
Due to other governments	-	-	-	40,641		-
Unearned revenue	282,008	911,276	1,193,284	-	-	-
Accrued interest payable	1,430,776	141,267	1,572,043	-	166,354	-
Construction contracts payable	-	30,000	30,000	-	-	-
Customer deposits	-	2,538,743	2,538,743	-	-	-
Noncurrent Liabilities						
Due to Industrial Building Authority						
Due within one year	-	405,000	405,000	-	-	-
Due in more than one year	-	4,685,000	4,685,000	-	-	2,173,516
Due within one year	5,635,614	4,107,509	9,743,123	-	1,020,000	-
Due in more than one year	75,018,918	42,676,319	117,695,237	50,451	20,865,416	-
Total liabilities	85,224,672	56,638,243	141,862,915	91,972	24,570,593	2,175,426
NET POSITION						
Net investment in capital assets,	323,994,466	109,324,370	433,318,836	21,023	2,168,817	3,991,662
Restricted for:						
Capital projects	30,138,715	8,821,815	38,960,530	-	-	-
Judicial	778,996	-	778,996	-	-	-
Public Safety	7,490,655	-	7,490,655	-	-	-
Debt service	1,772,049	8,751,173	10,523,222	-	2,220,935	-
Unrestricted	36,274,998	13,140,682	49,415,680	758,475	(131,581)	137,042
TOTAL NET POSITION	$ 400,449,879	$ 140,038,040	$ 540,487,919	$ 779,498	$ 4,258,171	$ 4,128,704

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES
For the year ended June 30, 2013

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 Position: Primary government: Governmental Activities	Primary government: Business-type Activities	Primary government: Total	Component Units: Board of Health	Component Units: Industrial Building Authority	Component Units: Airport Authority
Primary Government										
Governmental activities:										
General government	$ 13,486,082	$ 1,977,998	$ -	$ -	$ (11,508,084)	$ -	$ (11,508,084)	$ -	$ -	$ -
Judicial	4,950,952	3,351,315	88,950	29,903	(1,480,784)	-	(1,480,784)	-	-	-
Public safety	31,408,123	2,867,671	277,812	36,340	(28,226,300)	-	(28,226,300)	-	-	-
Public works	17,230,240	1,114,756	164,457	6,899,576	(9,051,451)	-	(9,051,451)	-	-	-
Culture and recreation	3,035,558	466,750	382	35,637	(2,532,789)	-	(2,532,789)	-	-	-
Health and welfare	1,572,223	9,970	87,265	-	(1,474,988)	-	(1,474,988)	-	-	-
Housing and development	7,009,854	539,051	-	6,267,372	(203,431)	-	(203,431)	-	-	-
Interest on long term debt	3,252,729	-	-	-	(3,252,729)	-	(3,252,729)	-	-	-
Total governmental activities	81,945,761	10,327,511	618,866	13,268,828	(57,730,556)	-	(57,730,556)	-	-	-
Business-type:										
Water and sewer	25,298,500	25,563,847	-	1,677,562	-	1,942,909	1,942,909	-	-	-
DFACS facility lease	133,435	343,971	-	-	-	210,536	210,536	-	-	-
Landfill	935,999	572,032	-	-	-	(363,967)	(363,967)	-	-	-
Total Business-type activities	26,367,934	26,479,850	-	1,677,562	-	1,789,478	1,789,478	-	-	-
Total primary government	$ 108,313,695	$ 36,807,361	$ 618,866	$ 14,946,390	(57,730,556)	1,789,478	(55,941,078)	-	-	-
Component Units										
Board of Health	$ 1,357,536	$ 408,985	$ 924,581	$ -				$ (23,970)	$ -	$ -
Industrial Building Authority	1,279,548	532,231	-	-				-	(747,317)	-
Airport Authority	284,199	251,978	-	3,673,338				-	-	3,641,117
Total component units	$ 2,921,283	$ 1,193,194	$ 924,581	$ 3,673,338				$ (23,970)	$ (747,317)	$ 3,641,117

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF ACTIVITIES - CONTINUED
For the year ended June 30, 2013

	Net (Expense) Revenue and Changes in Net Position			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	$ 25,594,931	$ -	$ 25,594,931	$ -	$ -	$ -
Property taxes, levied for debt service	5,870,760	-	5,870,760	-	-	-
Property taxes, levied for fire service	8,490,192	-	8,490,192	-	-	-
Intangible recording tax	1,206,286	-	1,206,286	-	-	-
Local option sales tax	12,365,806	-	12,365,806	-	-	-
Special purpose local option sales taxes	14,322,252	-	14,322,252	-	-	-
Insurance premium tax	5,674,609	-	5,674,609	-	-	-
Alcoholic beverage tax	684,498	-	684,498	-	-	-
Cable TV franchise tax	1,305,951	-	1,305,951	-	-	-
Real estate transfer tax	141,348	-	141,348	-	-	-
Business tax	347,367	-	347,367	-	-	-
Energy excise tax	717	-	717			
Interest earned on investments	54,858	60,256	115,114	680	2,256	-
Gain on sale of capital assets	22,877	-	22,877	-	-	
Miscellaneous	-	-	-	198	-	-
Transfers	(200,000)	200,000	-	-	-	-
Total general revenues and transfers	75,882,452	260,256	76,142,708	878	2,256	-
Change in net position	18,151,896	2,049,734	20,201,630	(23,092)	(745,061)	3,641,117
Net position - beginning, before restatement	382,996,954	138,552,450	521,549,404	802,590	5,386,050	487,587
Restatement	(698,971)	(564,144)	(1,263,115)	-	(382,818)	-
Net position - beginning, after restatement	382,297,983	137,988,306	520,286,289	802,590	5,003,232	487,587
Net position - ending	$ 400,449,879	$ 140,038,040	$ 540,487,919	$ 779,498	$ 4,258,171	$ 4,128,704

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	SPLOST III	SPLOST IV	Capital Projects		
Assets						
Cash and cash equivalents	$ 35,059,356	$ 9,032,770	$ 21,240,885	$ 1,062,656	$ 9,812,214	$ 76,207,881
Receivables, net						
Taxes	1,582,173	-	1,127,904	-	668,534	3,378,611
Intergovernmental	1,015,513	-	-	1,009,341	-	2,024,854
Other	523,129	-	-	-	309,204	832,333
Prepaid items	479,709	-	-	-	-	479,709
Due from other funds	461,999	43,303	-	423,082	195,058	1,123,442
Due from component unit	56,475	-	-	-	-	56,475
Total assets	$ 39,178,354	$ 9,076,073	$ 22,368,789	$ 2,495,079	$ 10,985,010	$ 84,103,305
Liabilities						
Accounts payable	$ 425,482	$ 373,471	$ 1,085,203	$ 328,330	$ 42,149	$ 2,254,635
Accrued liabilities	602,721	-	-	-	-	602,721
Unearned revenue	282,008	-	-	-	-	282,008
Due to other funds	887,150	-	66,140	-	355,285	1,308,575
Total liabilities	2,197,361	373,471	1,151,343	328,330	397,434	4,447,939
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,479,647	-	-	-	611,276	2,090,923
Total deferred inflows of resources	1,479,647	-	-	-	611,276	2,090,923
Total liabilities and deferred inflows of resources	3,677,008	373,471	1,151,343	328,330	1,008,710	6,538,862
Fund Balances						
Non-Spendable fund balance	479,709	-	-	-	-	479,709
Restricted fund balance	-	8,702,602	21,217,446	1,062,656	9,785,513	40,768,217
Committed fund balance	-	-	-	-	190,787	190,787
Assigned fund balance	7,014,545	-	-	1,104,093	-	8,118,638
Unassigned fund balance	28,007,092	-	-	-	-	28,007,092
Total fund balances	35,501,346	8,702,602	21,217,446	2,166,749	9,976,300	77,564,443
Total liabilities, deferred inflows of resources and fund balances	$ 39,178,354	$ 9,076,073	$ 22,368,789	$ 2,495,079	$ 10,985,010	$ 84,103,305

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 POSITION

June 30, 2013

Total fund balances - governmental funds			$ 77,564,443
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
Cost of Capital Assets	$ 521,639,547		
Less Accumulated Depreciation	(121,525,084)		400,114,463
Pension asset reported in the statement of net position is not available for spending and therefore does not qualify as a current financial resource.			290,959
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 unavailable revenue in the funds.			2,090,923
Interest payable on long-term debt does not require current financial resources and therefore is not reported as a liability in the funds.			(1,430,776)
Debt payments are currently being paid by the County on behalf of a component unit. These payments will be repaid to the County by the Component Unit in a future period.			2,337,507
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 and related items at year end consist of:			
Bonds payable	(73,870,000)		
Prepaid bond insurance costs, net of amortization	118,651		
Unamortized premium	(2,343,737)		
Deferred charge on refunding	18,241		
Loan payable	(768,490)		
Compensated absences payable	(3,672,305)		(80,517,640)
Total net position - governmental activities			$ 400,449,879

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, 2013

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	SPLOST III	SPLOST IV	Capital Projects		
Revenues						
Taxes	$ 47,278,201	$ -	$ 14,322,252	$ -	$ 14,820,277	$ 76,420,730
Licenses and permits	583,840	-	-	-	-	583,840
Intergovernmental	2,934,826	148,042	16,415	10,296,785	42,697	13,438,765
Charges for services	5,098,950	-	-	-	2,419,229	7,518,179
Fines and forfeitures	1,369,447	-	-	-	421,176	1,790,623
Investment income	9,638	23,520	69,244	4,138	41,082	147,622
Contributions and donations	334,672	6,127	-	-	16,400	357,199
Miscellaneous	433,835	-	-	-	-	433,835
Total Revenues	58,043,409	177,689	14,407,911	10,300,923	17,760,861	100,690,793
Expenditures						
Current						
General government	11,010,598	-	-	-	-	11,010,598
Judicial	4,661,063	-	-	-	266,871	4,927,934
Public safety	19,159,312	-	-	-	10,523,711	29,683,023
Public works	8,379,237	158,729	-	-	-	8,537,966
Health and welfare	1,012,845	-	-	-	-	1,012,845
Culture and recreation	2,674,575	-	125,041	-	-	2,799,616
Housing and development	1,943,792	-	-	-	-	1,943,792
Debt Service						
Principal retirement	-	-	-	-	2,970,000	2,970,000
Interest and fees	-	-	-	-	3,504,287	3,504,287
Capital outlay	-	6,580,407	4,983,079	6,498,230	96,809	18,158,525
Intergovernmental	-	-	1,839,227	3,673,329	-	5,512,556
Total expenditures	48,841,422	6,739,136	6,947,347	10,171,559	17,361,678	90,061,142
Excess (deficiency) of revenues over (under) expenditures	9,201,987	(6,561,447)	7,460,564	129,364	399,183	10,629,651
Other financing sources (uses)						
Sale of capital assets	22,877	-	-	-	-	22,877
Loan proceeds				768,490		768,490
Transfers in	-	-	-	-	665,836	665,836
Transfers out	(210,836)	-	-	(655,000)	-	(865,836)
Total other financing sources (uses)	(187,959)	-	-	113,490	665,836	591,367
Net change in Fund Balances	9,014,028	(6,561,447)	7,460,564	242,854	1,065,019	11,221,018
Fund balances, beginning of year	26,487,318	15,264,049	13,756,882	1,923,895	8,911,281	66,343,425
Fund balances, end of year	$ 35,501,346	$ 8,702,602	$ 21,217,446	$ 2,166,749	$ 9,976,300	$ 77,564,443

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, 2013

Total net change in fund balances - governmental funds		$	11,221,018
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 position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.			
Depreciation expense	(12,049,632)		
Capital outlays	17,079,814		5,030,182
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.			(87,229)
Amortization of prepaid bond insurance, deferred charges for refunding 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.			210,662
Loan proceeds through Georgia Environmental Finance Authority is a financing source in the governmental funds, but increases long-term liabilities in the statement of net position.			(768,490)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			2,970,000
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 unavailable in the governmental funds. Unavailable tax revenues related to prior years decreased by this amount this year.			
Unavailable@ 06/30/13	2,090,923		
Unavailable @ 06/30/12	(2,506,936)		(416,013)
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 @ 06/30/13	(3,672,305)		
Liability @ 06/30/12	3,403,938		(268,367)
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 @ 06/30/13	(1,430,776)		
Liability @ 06/30/12	1,471,672		40,896
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 expenditures in the governmental fund statements, but a recievable is recorded on the government wide statements.			219,237
Change in net position of governmental activities		$	18,151,896

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Water and Sewer Fund	Non-Major Enterprise Funds	Total
ASSETS			
Current Assets			
Cash	$ 16,173,513	$ 455,387	$ 16,628,900
Restricted cash	18,642,294	-	18,642,294
Accounts receivable, net	3,399,385	47,135	3,446,520
Due from other funds	-	225,707	225,707
Due from component unit	105,995	-	105,995
Inventory	235,497	-	235,497
Total current assets	38,556,684	728,229	39,284,913
NON-CURRENT ASSETS			
Capital Assets:			
Land	1,420,797	612,233	2,033,030
Plant and equipment	208,058,242	5,150,467	213,208,709
Construction in progress	166,187	-	166,187
Less: accumulated depreciation	(56,189,927)	(2,649,350)	(58,839,277)
Net capital assets	153,455,299	3,113,350	156,568,649
Other Asset			
Prepaid bond insurance	148,584	-	148,584
Total assets	192,160,567	3,841,579	196,002,146
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts from refunding	714,711	-	714,711
Total assets and deferred outflows of resources	192,875,278	3,841,579	196,716,857
LIABILITIES			
Current Liabilities			
Accounts payable	1,102,179	40,950	1,143,129
Compensated absences	249,132	9,623	258,755
Unearned revenue	911,276	-	911,276
Due to general fund	40,434	140	40,574
Due to component unit	405,000	-	405,000
Current portion of loans payable	25,840	179,983	205,823
Current maturities of long-term debt, payable from restricted assets	3,285,000	-	3,285,000
Construction contracts payable	30,000	-	30,000
Current portion of post closure care cost	-	357,931	357,931
Accrued interest payable	138,540	2,727	141,267
Customers' deposits, payable from restricted assets	2,538,743	-	2,538,743
Total current liabilities	8,726,144	591,354	9,317,498
Long-Term Liabilities, net of current portion			
Due to component unit	4,685,000	-	4,685,000
Revenue bonds payable	38,181,200	-	38,181,200
Loans payable	588,752	578,215	1,166,967
Compensated absences	106,771	-	106,771
Post closure care costs	-	3,221,381	3,221,381
Total long-term liabilities	43,561,723	3,799,596	47,361,319
Total liabilities	52,287,867	4,390,950	56,678,817

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Water and Sewer Fund	Non-Major Enterprise Funds	Total
NET POSITION (Deficit)			
Net investment in capital assets	106,969,218	2,355,152	109,324,370
Restricted for:			
Debt Service	8,751,173	-	8,751,173
Capital Projects	8,821,815	-	8,821,815
Unrestricted (deficit)	16,045,205	(2,904,523)	13,140,682
TOTAL NET POSITION (Deficit)	$ 140,587,411	$ (549,371)	$ 140,038,040

The accompanying notes are an integral part of this statement.

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

For the year ended June 30, 2013

	Business-type Activities Enterprise Funds		
	Major Fund		
	Water and Sewer	Non-Major Enterprise Funds	Total
Operating revenues:			
Charges for services	$ 23,792,960	$ -	$ 23,792,960
Penalties	744,845	-	744,845
Miscellaneous revenues	758,225	6,890	765,115
Landfill and recycling fees	-	565,142	565,142
Lease income	-	343,971	343,971
Total operating revenues	25,296,030	916,003	26,212,033
Operating expenses:			
Salaries and wages	2,273,598	120,580	2,394,178
Fringe benefits	1,220,399	49,416	1,269,815
Operating expenses	4,360,495	717,101	5,077,596
Cost of water purchased	10,083,532	-	10,083,532
Depreciation	5,369,374	141,556	5,510,930
Total operating expenses	23,307,398	1,028,653	24,336,051
Operating income (loss)	1,988,632	(112,650)	1,875,982
Nonoperating revenues (expenses):			
Line maintenance fees	254,930	-	254,930
Interest income	60,256	-	60,256
Rent	12,887	-	12,887
Interest expense	(1,991,102)	(40,781)	(2,031,883)
Total nonoperating revenue (expenses)	(1,663,029)	(40,781)	(1,703,810)
Income (loss) before contributions and transfers	325,603	(153,431)	172,172
Capital contributions	1,677,562	-	1,677,562
Transfers In	-	200,000	200,000
Change in net position	2,003,165	46,569	2,049,734
Total net position (deficit)-beginning, before restatement	139,148,390	(595,940)	138,552,450
Restatement	(564,144)	-	(564,144)
Total net position (deficit)-beginning, after restatement	138,584,246	(595,940)	137,988,306
Total net position (deficit)-ending	$ 140,587,411	$ (549,371)	$ 140,038,040

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, 2013

	Business type Activities		
	Major Fund		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	$ 25,486,536	$ 936,234	$ 26,422,770
Cash payments for goods and services	(14,711,871)	(642,921)	(15,354,792)
Cash payments for employee services and fringe benefits	(3,479,412)	(169,741)	(3,649,153)
Net cash provided by operating activities	7,295,253	123,572	7,418,825
Cash flows from non-capital financing activities:			
Rental income	12,887	-	12,887
Transfers in	-	200,000	200,000
Net cash provided by noncapital financing activities	12,887	200,000	212,887
Cash flows from capital and related financing activities:			
Principal paid on loans	(25,077)	(171,454)	(196,531)
Acquisition and construction of capital assets	(1,389,775)	-	(1,389,775)
Principal paid on revenue bonds	(3,130,000)	-	(3,130,000)
Proceeds from long-term borrowings	13,451,080		13,451,080
Payments to refund bonds	(13,497,220)		(13,497,220)
Interest paid	(2,194,396)	(41,432)	(2,235,828)
Line maintenance fee	254,930	-	254,930
Contributed Capital	1,677,562	-	1,677,562
Net cash used in capital and related financing activities	(4,852,896)	(212,886)	(5,065,782)
Cash flows from investing activities:			
Interest received on investments	60,256	-	60,256
Net cash provided by investing activities	60,256	-	60,256
Net increase in cash and cash equivalents	2,515,500	110,686	2,626,186
Cash and cash equivalents, July 1	$ 32,300,307	$ 344,701	$ 32,645,008
Cash and cash equivalents, June 30	$ 34,815,807	$ 455,387	$ 35,271,194
Reconciliation to Statement of Net Position			
Cash	$ 16,173,513	$ 455,387	$ 16,628,900
Restricted cash	18,642,294	-	18,642,294
	$ 34,815,807	$ 455,387	$ 35,271,194

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, 2013

	Business type Activities		
	Major Fund		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 1,988,632	$ (112,650)	$ 1,875,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	5,369,374	141,556	5,510,930
Decrease in accounts receivable	311,241	20,231	331,472
(Increase) in due from other funds	-	(164,462)	(164,462)
Increase in inventories	(65,261)	-	(65,261)
(Increase) in due from component unit	(105,995)		
Increase in customer deposits	48,156	-	48,156
Increase/(Decrease) in accounts payable and construction cost	(89,692)	17,719	(71,973)
Increase (decrease) in compensated absences payable	14,585	255	14,840
(Decrease) in due to other funds	(161,047)	(5,607)	(166,654)
Decrease in deferred revenue	(14,740)	-	(14,740)
Increase in post closure care costs	-	226,530	226,530
Total adjustments	5,306,621	236,222	5,542,843
Net cash provided by operating activities	$ 7,295,253	$ 123,572	$ 7,418,825

The accompanying notes are an integral part of this statement.

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

June 30, 2013

	Agency Funds
Assets	
Cash and cash equivalents	$ 2,669,832
Taxes receivable	2,725,955
	$ 5,395,787
Liabilities	
Due to others	$ 5,395,787

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

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.

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. For the fiscal year ended June 30, 2013, the County implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict 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 $ 9,468,451 These increases were primarily due to the general fund carryover expenditures and additional SPLOST projects carried out during the year as approved, and the additional federal funding of the East Hiram Parkway project as well as federal funding of the airport 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 position 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. Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resouces, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities,* as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary fund and government-wide statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes which will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. 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.

14. 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 position. Bond premiums and discounts are accrued 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 expenses in the period in which they occur.

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.

15. Fund Equity/Net Position

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

Fund balances are classified as follows:

- **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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Fund Equity/Net Position – Continued

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

- **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, also through a resolution.

- **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

Net Position – Net position represent the difference between assets, deferred outflows of resources, and liabilities in reporting which utilizes the economic resources measurement focus. Net position investment in capital assets, 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 position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. Interfund Transactions

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

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

17. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

18. Operating/Non-operating Revenues and Expenses

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

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of June 30, 2013, 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.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Primary Government - Continued

At June 30, 2013, the County had the following investments, which are reported as cash equivalents:

Investments	Average Maturity	Credit Rating	Fair Value
Fidelity Institutional Treasury Portfolio CL I	55 days	AAA-mf	$ 1,339,639

Discretely Presented Component Units

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

At year end, Paulding County Industrial Building Authority's carrying amount of bank deposits was $4,521,356 and the bank balance was $5,209,989. 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	$ 4,078,628
2.) Collateralized with securities held by pledging financial institution's Trust department or agent in the Authority's name	958,643
3.) Uncollateralized, including any bank balance that is collateralized With securities held by the pledging financing institution, or by its Trust department or agent but not in the Authority's name	172,718
	$ 5,209,989

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	Capital Projects	SPLOST III	SPLOST IV
Taxes	$ 1,786,984	$ -	$ -	$ 1,127,904
Intergovernmental	1,015,513	1,009,341	-	-
Other	523,129	-	-	-
Gross receivables	3,325,626	1,009,341	-	1,127,904
Less: Allowance for Uncollectibles	(204,811)	-	-	-
Net receivables	$ 3,120,815	$ 1,009,341	$ -	$ 1,127,904

	Water and Sewer	Non-Major Funds	Agency
Taxes	$ -	$ 797,153	$2,725,955
Intergovernmental	-	-	-
Other	4,650,557	356,339	-
Gross receivables	4,650,557	1,153,492	2,725,955
Less: Allowance for Uncollectibles	(1,251,171)	(128,619)	-
Net receivables	$ 3,399,385	$ 1,024,873	$2,725,955

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 12. 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, 2013 the Component Units reported the following intergovernmental receivables:

Board of Health	$124,061
Industrial Building Authority	
Due from Airport Authority	$2,173,516
Due from Paulding County	5,090,000
Due from City of Dallas	6,445,000
Total Industrial Building Authority	$13,708,516
Total Component Units	$13,832,577

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	$ 40,434
General Fund	SPLOST IV	66,140
General Fund	Non-major Governmental Fund	355,285
Non-major Governmental Fund	General Fund	195,058
General Fund	Non-major Enterprise Fund	140
Capital Projects Fund	General Fund	423,082
SPLOST III	General Fund	43,303
Non-major Enterprise Fund	General Fund	225,707
		$ 1,349,149

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.

Transfers – Primary Government:

Fund	Transfer In	Transfer Out
General Fund	$ -	$ 210,836
Non Major: E911	10,836	
Non Major: Debt Service	655,000	
Capital Projects		655,000
Enterprise Funds:		
Nonmajor		
Solid Waste	200,000	-
	$ 865,836	$ 865,836

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 expenses of the above mentioned fund. The Capital Projects Fund transferred remaining funds from project into the Debt Service Fund. This is also a budgeted expenditure. However, it is a one-time transfer and not a recurring transfer.

NOTE E - CAPITAL ASSET

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Governmental Activities					
Capital assets not being depreciated					
Land	$ 50,947,602	$ -	$ -	$ 142,997	$ 51,090,599
Construction in Progress	29,543,303	16,477,861	-	(8,499,346)	37,521,818
Total capital assets not being depreciated	80,490,905	16,477,861	-	(8,356,349)	88,612,417
Capital assets being depreciated:					
Buildings and Improvements	146,741,163	267,911	-	-	147,009,074
Equipment	36,616,960	334,042	207,969	681,808	37,424,841
Infrastructure	240,918,674	-	-	7,674,541	248,593,215
Total capital assets being depreciated	424,276,797	601,953	207,969	8,356,349	433,027,130
Less accumulated depreciation for:					
Buildings	25,723,332	3,801,971	-	-	29,525,303
Equipment	28,559,075	2,237,937	207,969	-	30,589,043
Infrastructure	55,401,014	6,009,724	-	-	61,410,738
Total accumulated depreciation	109,683,421	12,049,632	207,969	-	121,525,084
Total capital assets, being depreciated, net	314,593,376	(11,447,679)	-	8,356,349	311,502,046
Total governmental activities capital assets, net	$ 395,084,281	$ 5,030,182	$ -	$ -	$ 400,114,463

NOTE E - CAPITAL ASSETS-CONTINUED

	Balance July 1, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Business-type activities:					
Water/Sewer:					
Land	$ 1,420,797	$ -	$ -	$ -	$ 1,420,797
Construction in Progress	691,290	449,403	10,166	(964,340)	166,187
Total capital assets not being depreciated	2,112,087	449,403		(964,340)	1,586,984
Capital assets being depreciated:					
Buildings	1,776,254	12,300	-	-	1,788,554
Equipment	3,514,959	83,148	56,660	-	3,541,447
Water distribution system	111,296,659	697,588	-	964,340	112,958,587
Sewer system	89,612,152	157,502	-	-	89,769,654
Total capital assets being depreciated	206,200,024	950,538	56,660	964,340	208,058,242
Less accumulated depreciation for:					
Buildings	685,562	50,894	-	-	736,456
Equipment	2,825,883	145,217	56,660	-	2,914,440
Water distribution system	33,656,672	2,869,436	-	-	36,526,108
Sewer system	13,709,096	2,303,827	-	-	16,012,923
Total accumulated depreciation	50,877,213	5,369,374	56,660	-	56,189,927
Total capital assets, being depreciated, net	155,322,811	(4,418,836)	-	964,340	151,868,315
Water and sewer capital assets, net	$ 157,434,898	$ (3,969,433)	$ 10,166	$ -	$ 153,455,299
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	1,072,869	77,862	-	-	1,150,731
Equipment	1,434,925	63,694	-	-	1,498,619
Total accumulated depreciation	2,507,794	141,556	-	-	2,649,350
Total capital assets, being depreciated, net	2,642,673	(141,556)	-	-	2,501,117
Other enterprise funds capital assets, net	3,254,906	(141,556)	-	-	3,113,350
Business-type activities capital assets, net	$ 160,689,804	$ (4,110,989)	$ 10,166	$ -	$156,568,649

NOTE E - CAPITAL ASSETS-CONTINUED

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

Governmental Funds:	
General government	$ 2,519,475
Judicial	36,709
Public safety	1,592,094
Public works	6,289,506
Culture and recreation	551,078
Health and welfare	46,737
Housing and development	1,014,033
Total depreciation expense-governmental funds	$ 12,049,632
Business-type Funds	
Water/Sewer	$ 5,369,374
Landfill	63,694
DFCS Facility	77,862
Total depreciation expense - business-type activities	$ 5,510,930

Discretely Presented Component Units

Activity for the Industrial Building Authority for the year ended June 30, 2013, is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Business Type activities:				
Capital assets not being depreciated				
Land	$ 2,832,262	$ 24,478	$ (301,320)	$ 2,555,420
Construction in progress	327,861	2,136,412	(2,053,147)	411,126
Total capital assets not being Depreciated	3,160,123	2,160,890	(2,354,467)	2,966,546
Capital assets being depreciated				
Buildings	782,993	76,728	-	859,721
Infrastructure	4,618,383	1,951,942	-	6,570,325
Equipment and vehicles	103,886	-	-	103,886
Total capital assets being Depreciated	5,505,262	2,028,670	-	7,533,932
Less accumulated depreciation for				
Buildings	17,469	19,575	-	37,044
Infrastructure	18,128	116,199	-	134,327
Equipment and vehicles	23,333	11,956	-	35,289
Total accumulated depreciation	58,930	147,730		206,660
Total capital assets being Depreciated, net	5,446,332	1,880,940	-	7,327,272
Total Industrial Building Authority capital Assets, net	$8,606,455	$4,041,830	$ (2,354,467	$ 10,293,818

NOTE E - CAPITAL ASSETS-CONTINUED

Discretely Presented Component Units-continued

Activity for the Airport Authority for the year ended June 30, 2013, is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Business Type activities:				
Capital assets not being depreciated				
Land	$ 3,863,253	$ -	$ -	$ 3,863,253
Construction in progress	156,936	766,753	(859,857)	63,832
Total capital assets not being Depreciated	4,020,189	766,753	(859,857)	3,927,085
Capital assets being depreciated				
Buildings	286,982	-	-	286,982
Infrastructure	144,182	1,844,827	-	1,989,009
Equipment and vehicles	1,351	-	-	1,351
Total capital assets being Depreciated	432,515	1,844,827	-	2,277,342
Less accumulated depreciation for				
Buildings	17,937	7,175	-	25,112
Infrastructure	6,081	7,448	-	13,529
Equipment and vehicles	338	270	-	608
Total accumulated depreciation	24,356	14,893	-	39,249
Total capital assets being Depreciated, net	408,159	1,829,934	-	2,238,093
Total Airport Authority capital Assets, net	$ 4,428,348	$ 2,596,687	$ (859,857)	$6,165,178

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 $3,579,312. 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 $3,807,779,) 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, 2013. 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, 2013 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, 2012	Additions	Payments	Balance June 30, 2013	Due within 1 year
Governmental Activities:					
Bonds Payable					
Series 2007 general obligation bonds- Conservation Project	11,780,000	-	(855,000)	10,925,000	890,000
Series 2007 general obligation bonds-Gov't Complex Project	60,125,000	-	(935,000)	59,190,000	960,000
Series 2009 Refunding	4,935,000	-	(1,180,000)	3,755,000	1,215,000
Unamortized Bond Premium	2,579,150	-	(235,413)	2,343,737	-
Total Bonds Payable	79,419,150	-	(3,205,413)	76,213,737	3,065,000
GEFA Loan Payable	-	768,490	-	768,490	-
Compensated absences	3,403,938	2,194,799	(1,926,432)	3,672,305	2,570,614
Governmental activity Long-term liabilities	$ 82,832,088	$2,963,289	$(5,131,845)	$80,654,532	$ 5,635,614

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, 2012	Additions	Payments	Balance June 30, 2013	Due within 1 year
Business-type activities:					
Bonds Payable					
1993 Water Revenue Bonds	$ 2,535,000	$ -	$(1,230,000)	$1,305,000	$1,305,000
2004 Water Revenue Bonds	9,580,000	-	(8,120,000)	1,460,000	715,000
2009 Water Revenue Bonds	13,595,000	-	(740,000)	12,855,000	775,000
2009A Water Revenue Bonds	16,885,000	-	(460,000)	16,425,000	465,000
2012 Water Revenue Bonds	-	7,445,000	-	7,445,000	25,000
Unamortized Bond Premium	1,575,383	916,080	(515,263)	1,976,200	-
Total Bonds Payable	44,170,383	8,361,080	(11,065,263)	41,466,200	3,285,000
Loans Payable					
2010 GEFA loan	639,669	-	(25,077)	614,592	25,840
2001 Installment note	929,652	-	(171,454)	758,198	179,983
Intergovernmental payable,					
Industrial Building Authority	5,360,000	5,090,000	(5,360,000)	5,090,000	405,000
Compensated Absences	350,686	204,693	(189,853)	365,526	258,755
Landfill Closure/Post Closure	3,352,782	226,530	-	3,579,312	357,931
Business-type activities					
Long-term liabilities	$54,803,172	$13,882,303	$(16,811,647)	$51,873,828	$4 ,512,509

NOTE G - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds

General obligations bonds at year end consisted of the following:

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.

Future maturities of principal and interest on general obligation bonds at June 30, 2013 are as follows:

Year ending June 30,	Principal	Interest	Total
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
	$ 73,870,000	$ 36,967,295	$ 110,837,295

NOTE G - LONG-TERM DEBT – CONTINUED

3. Water Revenue Bonds

Outstanding revenue bonds at June 30, 2013, 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.	$ 1,305,000
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. Part of the 2004 issue was advance refunded by the 2012 issue.	1,460,000
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.	12,855,000
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.	16,425,000
Series 2012 revenue bonds (original amount – $7,445,000) due in principal maturities of $25,000 to $1,315,000through 2022; interest at 2.00% to 4.00% payable June 1 and December 1. The 2012 issue advance refunded the 2004 bond issue.	7,445,000
Gross bonds payable	39,490,000
Unamortized bond premium	1,976,200
Net bonds payable	$ 41,466,200

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
2014	3,285,000	1,509,581	4,794,581
2015	3,455,000	1,409,519	4,864,519
2016	3,570,000	1,264,944	4,834,944
2017	3,670,000	1,145,293	4,815,293
2018	3,820,000	1,015,532	4,835,532
2019	3,940,000	886,350	4,826,350
2020	4,080,000	728,928	4,808,928
2021	4,270,000	540,300	4,810,300
2022	4,480,000	333,975	4,813,975
2023	4,920,000	114,275	5,034,275
	$ 39,490,000	$8,948,699	$ 48,438,699

The County has pledged future water customer revenues, net of specified operating expenses, to repay $39,490 million in water revenue bonds issued from 1993 to 2012. 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 $48,438,699. Principal and interest paid for the current year and total customer revenues were $5,020,791 and $25,296,030, respectively.

4. Current Refunding

During 2013, the County issued Water & Sewer Revenue Bonds to refund a portion of the 2004 Revenue Bonds. The refunding resulted in a difference between the requisition price and the carrying amount of the old debt of $484,488. This difference reporting in the accompanying financial statements as a deferred outflows of resources, and is being charged to operations through year 2022 using the straight line method. The County advance refunded the 2004 Series Bonds to reduce its total debt service payments over the next 9 years by $708,254 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately$650,468. The 2004 bonds in the amount of $8,283,057 will be completely defeased on December 1, 2014.

NOTE G - LONG-TERM DEBT – CONTINUED

5. Loans Payable

Outstanding loans of Governmental Activities at year end consist of the following:

2012 Georgia Environmental Facilities Authority loan (maximum amount - $2,800,600) currently we have outstanding $768,490 of the maximium amount. These funds are currently funding the engineering and mitigation cost of the Reservoir project. This loan is currently in a construction phase until the first of the following criteria are met (1) Completion date (2) November 1, 2015, or (3) the date the loan is fully disbursed. During this construction phase interest is being paid monthly at 1% of the outstanding amount. Following the construction phase this loan will become permanent with an interest rate of 3.13% and payable over a ten year period. This loan also has an administration fee of 1% or $28,006 payable in monthly installments of $2,333.87 through November 1, 2013.

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

Intergovernmental payable to Industrial Building Authority (original amount – $ 6,370,000) due in semiannual installments of $405,000 to $520,000 through 2023; interest at 1.00% to 3.00% payable June 1 and December 1. This payable Funds the 2012 Series B which refunded the 2003 B & C issued to construct a sewer treatment plant.	5,090,000
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.	758,198
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.	614,592
	$6,462,790

NOTE G - LONG-TERM DEBT – CONTINUED

5. Loans Payable - Continued

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

Year ending June 30,	Principal	Interest	Total
2014	610,823	168,538	779,361
2015	635,684	150,427	786,111
2016	655,744	131,867	787,611
2017	659,707	111,463	771,170
2018	479,130	97,994	577,124
2019-2023	2,583,902	278,655	2,297,272
2024-2028	705,267	39,878	745,145
2029-2032	132,533	6,561	139,094
	$ 6,462,790	$ 985,383	$ 6,882,888

6. Industrial Building Authority Component Unit Long – Term Debt

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.

NOTE G - LONG-TERM DEBT – CONTINUED

6. Industrial Building Authority Component Unit Long – Term Debt Continued

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, if needed.

On October 25, 2012 the Authority issued $7,315,000 in Revenue Bonds for the purpose of retiring the 2003 Revenue Bonds. The Bonds were issued in two separate series for various purposes. The Series 2012A Taxable Revenue Bonds in the amount of $2,225,000 were issued to pay off the Series 2003A Taxable Revenue Bonds. The Series 2012B Tax-Exempt Revenue bonds in the amount of $5,090,000 were issued to pay off the Series 2003B and 2003 Tax-Exempt Revenue Bonds. The bond premium on the issue is being amortized and the bond issue cost of $149,500 has been charged as a non-operating expense in the current year of 2013. The County and the Authority have entered into an intergovernmental contract dated October 1, 2012, whereby the County 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, if needed.

NOTE G - LONG-TERM DEBT – CONTINUED

6. Industrial Building Authority Component Unit Long – Term Debt Continued

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

Year ending June 30,	Principal	Interest	Total
2014	1,020,000	843,945	1,863,945
2015	1,100,000	823,215	1,923,215
2016	1,150,000	799,477	1,949,477
2017	1,175,000	772,834	1,947,834
2018	1,200,000	743,513	1,943,513
2019-2023	6,955,000	3,090,835	10,045,835
2024-2028	5,520,000	1,762,189	7,282,189
2029-2031	3,540,000	385,812	3,925,812
	$ 21,660,000	$ 9,221,820	$ 30,881,820

	Balance June 30, 2012	Additions	Payments	Balance June 30, 2013	Due within 1 year
Industrial Building Authority					
Revenue Bonds Payable					
2003 Revenue Bonds	$ 7,535,000	$ -	$ (7,535,000)	$ -	$ -
2010 Revenue Bonds	6,445,000	-	-	6,445,000	140,000
2011 Revenue Bonds	7,900,000	-	-	7,900,000	295,000
2012 Revenue Bonds	-	7,315,000	-	7,315,000	585,000
Unamortized Bond Premium	44,796	265,932	(69,050)	241,678	-
Unamortized Bond Discount	(74,753)	(6,148)	64,639	(16,262)	-
Total Bonds Payable	$21,850,043	$ 7,574,784	$ 7,539,411	$ 21,885,416	$ 1,020,000

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 2013 includes minimum operating lease agreements totaling $343,970.

NOTE I - 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 J - COMMITMENTS AND CONTINGENCIES

Litigation

Various claims and legal proceedings are pending against the County seeking monetary damages and other relief. In the opinion of management and legal counsel, the ultimate liability, if any, 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.

NOTE J - COMMITMENTS AND CONTINGENCIES - CONTINUED

Construction Contracts

As of June 30, 2013 the County's remaining obligation on uncompleted construction contracts totaled approximately $ 5,164,945 consisting of Water and Sewer contracts, $362,778 Department of Transportation contracts, $4,316,792, Recreation contracts, $252,975 and Public Safety contracts, $232,400.

NOTE K - 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, 2013(the date of the most recent actuarial valuation date).

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

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

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

NOTE K - DEFINED BENEFIT PENSION PLAN – CONTINUED

Funding Policy

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

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

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

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) projected salary increases of 4.5% - 7.0% (3.0% inflation) per year compounded annually, and (c) no post-retirement benefit increases. 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, 2013 was 10 years.

As of January 1, 2013, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	128
Terminated and vested participants not yet receiving benefits	280
Active participants	611
Total	1,019

NOTE K - DEFINED BENEFIT PENSION PLAN – CONTINUED

Annual Pension Cost

The following is the schedule of funding progress of the plan as of the most recent valuation date, January 1, 2013:

Actuarial value of assets	$ 23,277,699
Actuarial accrued liability (AAL)	27,948,658
Unfunded actuarial accrued liability (UAAL)	4,670,959
Funded ratio	83.3%
Covered Payroll	23,268,567
UAAL as a percentage of Covered payroll	20.1%

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, 2013, 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)
2013	$ 2,189,066	$2,101,837	96%	(290,959)
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 K - DEFINED BENEFIT PENSION PLAN – CONTINUED

Annual Pension Cost - Continued

Derivation of Net Pension Asset:

	2013
Net Pension Asset as of Beginning of Prior Year	$ (378,188)
Annual Pension Cost for Current Year	2,189,066
Actual contributions to Plan for Current Year	2,101,837
Decrease in Net Pension Asset	87,229
Net Pension Asset as of End of Year	$ (290,959)

Derivation of Annual Pension cost:

Annual Required Contribution	$ 2,186,770
Interest on Net Pension Obligation	(32,807)
Amortization of Net Pension Obligation	35,103
Annual Pension Cost	$2,189,066

Contributions totaling $2,101,837 paid in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2013 for the 2013 Plan Year. The contributions represented 9.3% of the covered payroll for the year ended December 31, 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, 2013.

NOTE L - DEFINED CONTRIBUTION PLAN

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

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

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

The County has made the following contributions to the plan:

	County Contributions	Employee Contributions
2012	$ 280,694	$ 752,430
2013	283,037	771,869

NOTE M - 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 $128,328 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 N – FUND EQUITY

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

General Fund	
Prepaid Items	$ 479,709

Restricted – The following balances are restricted for:

Major Funds:	
SPLOST III –	
used to account for capital projects financed with SPLOST	$ 8,702,602
SPLOST IV –	
used to account for capital projects financed with SPLOST	$21,217,446
Capital Projects Fund –	
used to account for the bond proceeds issued for reservoir and courthouse construction projects	$ 1,062,656

Restricted - Continued

Non-major funds:	
Law Library Fund –	
used to account for operations of the Law Library	$ 88,851
Drug Confiscation Account –	
Used to account for resources confiscated and expended In the fight against drugs	$ 24,814
Victim Witness Fund – accounts for the operational expenditures used in the Victim Witness program	$ 102,015
Clerk's Technology – accounts for resources used to improve technology in the Clerk of Court's office	$ 445,942
Emergency 911 Fund –	
Used to account for the operations of the E-911 center	$ 979,528
Jail Fund – accounts for the inmate supplies and capital purchases of the Jail	$ 1,056,464
Supplemental Juvenile – accounts for outside sources utilized within the court system for treatment and evaluation	$ 142,188
Drug Use Treatment – accounts for fines collected to be used In drug treatment and prevention education	$ 112,987
Debt Service Fund – Used to account for the principal and interest payment of General long term debt	$ 1,515,862
Fire Tax Fund –	
used to account for operation of the Fire Dept.	$ 5,316,862

Committed – The following fund balance are committed to:

Sheriff Commissary – used to account for the receipts and Purchases inmates incur while incarcerated	$ 190,787

NOTE N – FUND EQUITY - CONTINUED

Assigned – The following fund balances are assigned to:

General Fund:

Encumbrances- As of June 30, 2013, the county encumbered amounts intended to be honored in the subsequent year

Encumbrance detail		
Reservoir	$ 79,802	
LMIG	$1,172,937	
Infrastructure Task Force	$ 363,878	
DOT Infrastructure Maintenance	$1,752,625	
Other supplies	$ 196,177	$ 3,565,419
Library		$ 102,489
Landfill cost of closure		$ 1,425,000
2014 Budget		$ 1,921,637

Major funds:

Capital Projects Fund – used to construct or purchase

Capital assets	$ 1,104,093

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 O – DEFICIT FUND EQUITY/BUDGETARY OVERAGES

The Solid Waste Fund has a deficit fund equity of $ 2,482,240 at June 30, 2013. 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	
General Gov't – General Appropriations	$ 34,167
Health and Welfare - General Health Grant	442
SPLOST III	
Emergency Telephone System	154,580
SPLOST IV	
Economic Development	40,597
Capital Projects	
General Government	768,490
Airport	3,000
Non-Major funds	
Law Library	912
Sheriff Commissary	15,109

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

NOTE P – CHANGE IN ACCOUNTING PRINCIPLE

The County adjusted beginning net position to adjust for the change resulting from the implementation of accounting principle GASB 65. This statement requires bond issuance cost to be expensed in the current year except for insurance premium cost. This change resulted in a reduction of governmental activities net position in the amount of $698,971 and Business Type Activities in the Water and Sewer System in the amount of $564,144. The Industrial Building Authority made an adjustment to net position in the amount of $382,819.

NOTE Q – SUBSEQUENT EVENTS

On October 17, 2013, the County issued $41,030,000 to refund a portion of the $60,125,000 outstanding 2007 Courthouse bond issue. The interest rate on the new bonds is 2.45% and the maturity date is February 1, 2028.

On October 31, 2013, the Industrial Building Authority issued $4,590,000 of revenue bonds to finance a roadway improvement project. The interest rate on the bonds is 2.25% and the maturity date is February 1, 2024.

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.

	2012	2011	2010	2009	2008	2007
Actuarial value of assets	23,277,699	21,052,085	19,014,520	16,846,581	14,720,347	13,763,518
Actuarial accrued liability (AAL)	27,948,658	25,663,462	24,382,524	22,579,553	19,962,472	17,491,188
Unfunded actuarial accrued liability (UAAL)	4,670,959	4,611,377	5,368,004	5,732,972	5,242,125	3,727,670
Funded ratio	83.3%	82.0%	78.0%	74.6%	73.7%	78.7%
Covered Payroll	23,268,567	22,822,954	22,630,176	22,250,062	21,106,471	18,912,254
UAAL as a percentage of covered payroll	20.1%	20.2%	23.7%	25.8%	24.8%	19.7%

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 44,212,000	$ 44,312,000	$ 47,278,201	$ 2,966,201
Licenses and permits	355,000	500,000	583,840	83,840
Intergovernmental	217,000	1,500,000	2,934,826	1,434,826
Charges for services	4,021,000	4,026,000	5,098,950	1,072,950
Fines and forfeitures	1,285,000	1,285,000	1,369,447	84,447
Investment income	25,000	8,500	9,638	1,138
Contributions and donations	-	31,200	334,672	303,472
Miscellaneous	257,000	257,000	433,835	176,835
Total Revenues	50,372,000	51,919,700	58,043,409	6,123,709
Expenditures				
Current				
General government	11,225,682	11,288,998	11,010,598	278,400
Judicial	4,855,816	4,920,100	4,661,063	259,037
Public safety	19,657,931	19,643,300	19,159,312	483,988
Public works	8,608,652	9,986,300	8,379,237	1,607,063
Health and welfare	1,071,300	1,071,800	1,012,845	58,955
Culture and recreation	2,702,340	2,746,700	2,674,575	72,125
Housing and development	2,439,763	2,429,000	1,943,792	485,208
Total Expenditures	50,561,484	52,086,198	48,841,422	3,244,776
Excess (deficiency) of revenues over expenditures	(189,484)	(166,498)	9,201,987	9,368,485
Other financing sources (uses):				
Sale of capital assets	10,000	10,000	22,877	12,877
Transfers out	(460,165)	(222,502)	(210,836)	11,666
Total other financing sources (uses)	(450,165)	(212,502)	(187,959)	24,543
Net change in fund balance	$ (639,649)	$ (379,000)	9,014,028	$ 9,393,028
Fund balance, beginning of year			26,487,318	
Fund balance, end of year			$ 35,501,346	

Paulding County, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

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, 2013
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:	4.5 – 7.0%%
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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 44,212,000	$ 44,312,000	$ 47,278,201	$ 2,966,201
Licenses and permits	355,000	500,000	583,840	83,840
Intergovernmental	217,000	1,500,000	2,934,826	1,434,826
Charges for Services	4,021,000	4,026,000	5,098,950	1,072,950
Fines and Forfeitures	1,285,000	1,285,000	1,369,447	84,447
Investment Income	25,000	8,500	9,638	1,138
Contributions and Donations	-	31,200	334,672	303,472
Miscellaneous	257,000	257,000	433,835	176,835
Total Revenues	50,372,000	51,919,700	58,043,409	6,123,709
Expenditures				
Current				
General Government				
Adminsitration				
Legislative				
Personnel Services	472,000	477,300	475,291	2,009
Operating Expenditures	127,000	127,100	125,700	1,400
	599,000	604,400	600,991	3,409
Executive				
Personnel Services	203,800	208,900	207,159	1,741
Operating Expenditures	14,200	14,200	13,031	1,169
	218,000	223,100	220,190	2,910
Government Services				
Personnel Services	-	58,600	58,139	461
Operating Expenditures	-	4,700	4,644	56
	-	63,300	62,783	517
Elections				
Personnel Services	194,800	472,300	467,272	5,028
Operating Expenditures	262,120	135,000	104,232	30,768
	456,920	607,300	571,504	35,796
Finance				
Personnel Services	406,900	421,100	419,221	1,879
Operating Expenditures	26,700	26,700	16,648	10,052
	433,600	447,800	435,869	11,931
Information Technology				
Personnel Services	500,800	511,500	510,642	858
Operating Expenditures	566,575	570,500	516,793	53,707
Capital Outlay	-	95,000	94,108	892
	1,067,375	1,177,000	1,121,543	55,457
Human Resources				
Personnel Services	303,200	266,400	262,385	4,015
Operating Expenditures	24,000	24,000	15,371	8,629
	327,200	290,400	277,756	12,644

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
General Government - continued				
Government Facilities				
Personnel Services	373,600	362,400	353,277	9,123
Operating Expenditures	938,070	947,800	920,698	27,102
Capital Outlay	-	90,000	86,370	3,630
	1,311,670	1,400,200	1,360,345	39,855
Tax assessments and Collections				
Tax assessors:				
Personnel Services	1,110,100	1,065,500	1,057,474	8,026
Operating Expenditures	260,817	261,500	172,152	89,348
	1,370,917	1,327,000	1,229,626	97,374
Tax Commissioner				
Personnel Services	765,700	778,300	768,140	10,160
Operating Expenditures	214,200	214,200	175,363	38,837
Capital Outlay	7,000	7,000	3,323	3,677
	986,900	999,500	946,826	52,674
Total Tax Assessment and Collections	2,357,817	2,326,500	2,176,452	150,048
General Appropriations				
Other Expenditures	4,454,100	4,148,998	4,183,165	(34,167)
Total General Government	11,225,682	11,288,998	11,010,598	278,400
Judicial				
Superior Court				
Personnel Services	487,900	480,544	477,108	3,436
Operating Expenditures	288,456	288,456	131,768	156,688
	776,356	769,000	608,876	160,124
Clerk of Superior Court				
Personnel Services	990,800	994,000	988,813	5,187
Operating Expenditures	72,900	73,700	45,704	27,996
	1,063,700	1,067,700	1,034,517	33,183
Probate Court				
Personnel Services	594,000	602,500	599,866	2,634
Operating Expenditures	99,200	114,000	106,887	7,113
	693,200	716,500	706,753	9,747
Magistrate Court				
Personnel Services	385,500	393,500	390,360	3,140
Operating Expenditures	16,400	16,400	16,337	63
	401,900	409,900	406,697	3,203
District Attorney				
Personnel Services	271,500	286,900	292,388	(5,488)
Operating Expenditures	587,000	660,100	653,626	6,474
Capital Outlay	-	-	-	-
	858,500	947,000	946,014	986

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Judicial - continued				
Juvenile Court				
Personnel Services	304,100	252,500	251,464	1,036
Operating Expenditures	233,000	232,500	218,546	13,954
	537,100	485,000	470,010	14,990
Public Defender				
Personnel Services	199,900	200,700	196,717	3,983
Operating Expenditures	325,160	324,300	291,479	32,821
	525,060	525,000	488,196	36,804
Total Judicial	4,855,816	4,920,100	4,661,063	259,037
Public Safety				
Coroner				
Personnel Services	48,700	50,400	50,179	221
Operating Expenditures	20,500	24,600	24,772	(172)
	69,200	75,000	74,951	49
Sheriff				
Personnel Services	11,389,300	11,126,500	11,087,722	38,778
Operating Expenditures	1,881,531	1,924,500	1,938,036	(13,536)
Capital Outlay	-	5,000	-	5,000
	13,270,831	13,056,000	13,025,758	30,242
Jail				
Personnel Services	3,321,700	3,499,000	3,487,604	11,396
Operating Expenditures	1,944,900	1,889,900	1,511,865	378,035
Capital Outlay	5,000	45,000	-	45,000
	5,271,600	5,433,900	4,999,469	434,431
Marshal				
Personnel Services	404,600	336,100	330,608	5,492
Operating Expenditures	64,300	68,000	69,129	(1,129)
	468,900	404,100	399,737	4,363

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Animal Control				
Personnel Services	416,500	479,600	473,712	5,888
Operating Expenditures	118,900	132,200	127,269	4,931
Capital Outlay	-	8,000	7,635	365
	535,400	619,800	608,616	11,184
General Appropriations				
Operating Expenditures	42,000	54,500	50,781	3,719
Total Public Safety	19,657,931	19,643,300	19,159,312	483,987
Public Works				
Roads and Bridges				
Personnel Services	3,025,200	2,767,600	2,818,207	(50,607)
Operating Expenditures	4,065,185	5,609,700	3,989,846	1,619,854
Capital Outlay	-	-	-	-
	7,090,385	8,377,300	6,808,053	1,569,247
Utility Coordinator				
Personnel Services	-	-	-	-
Operating Expenditures	800,000	900,000	897,821	2,179
	800,000	900,000	897,821	2,179
Maintenance Shop				
Personnel Services	546,600	535,600	528,169	7,431
Operating Expenditures	58,617	58,400	36,327	22,073
	605,217	594,000	564,496	29,504
Recycling				
Personnel Services	89,100	91,300	89,968	1,332
Operating Expenditures	23,950	23,700	18,899	4,801
	113,050	115,000	108,867	6,133
Total Public Works	8,608,652	9,986,300	8,379,237	1,607,063

Paulding County, Georgia

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

Year ended June 30, 2013

	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	327,660	(1,660)
General Welfare Grant	28,000	18,300	17,082	1,218
	404,000	394,300	394,742	(442)
Senior Citizens Center				
Personnel Services	177,100	181,500	179,306	2,194
Operating Expenditures	89,500	90,700	68,488	22,212
	266,600	272,200	247,794	24,406
Senior Citizens Van				
Personnel Services	111,200	92,900	86,173	6,727
Operating Expenditures	17,500	28,000	27,428	572
	128,700	120,900	113,601	7,299
Bus Service				
Personnel Services	143,600	132,000	118,848	13,152
Operating Expenditures	47,400	63,400	57,413	5,987
	191,000	195,400	176,261	19,139
General Appropriations				
Operating Expenditures	81,000	89,000	80,447	8,553
Total Health and Welfare	1,071,300	1,071,800	1,012,845	58,955
Culture and Recreation				
Library				
Personnel Services	647,300	649,400	604,589	44,811
Operating Expenditures	129,040	128,600	142,403	(13,803)
Capital Outlay	-	25,000	-	25,000
	776,340	803,000	746,992	56,008
Recreation				
Personnel Services	1,128,200	1,141,300	1,119,252	22,048
Operating Expenditures	787,100	791,700	797,689	(5,989)
Capital Outlay	-	-	-	-
	1,915,300	1,933,000	1,916,941	16,059
General Appropriations				
Operating Expenditures	10,700	10,700	10,642	58
Total Culture and Recreation	2,702,340	2,746,700	2,674,575	72,125

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Housing and Development				
County Extension Service				
Personnel Services	32,750	32,750	29,846	2,904
Operating Expenditures	17,700	17,250	17,813	(563)
	50,450	50,000	47,659	2,341
Community Development				
Personnel Services	878,000	800,000	786,703	13,297
Operating Expenditures	196,113	196,000	168,104	27,896
Capital Outlay	-	50,000	8,300	41,700
	1,074,113	1,046,000	963,107	82,893
Airport				
Personnel Services	174,300	177,500	176,737	763
Operating Expenditures	98,900	117,500	116,566	934
	273,200	295,000	293,303	1,697
General Appropriations				
Operating Expenditures	1,042,000	1,038,000	639,723	398,277
Total Housing and Development	2,439,763	2,429,000	1,943,792	485,208
Total Expenditures	50,561,484	52,086,198	48,841,422	3,244,776
Excess (deficiency) of revenues over (under) expenditures	(189,484)	(166,498)	9,201,987	9,368,485
Other financing sources (uses):				
Transfers out	(460,165)	(222,502)	(210,836)	11,666
Sale of captial assets	10,000	10,000	22,877	12,877
Total other financing sources (uses)	(450,165)	(212,502)	(187,959)	24,543
Net change in fund balance	$ (639,649)	$ (379,000)	9,014,028	$ 9,393,028
Fund balance, beginning of year			26,487,318	
Fund balance, end of year			$ 35,501,346	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 148,042	$ 148,042
Investment Income	-	-	23,520	23,520
Contributions and Donations	-	-	6,127	6,127
Total revenues	-	-	177,689	177,689
Expenditures				
Public Safety				
Sheriff				
Capital Outlay	-	628,300	628,300	-
	-	628,300	628,300	-
Fire				
Capital Outlay	-	15,500	13,025	2,475
	-	15,500	13,025	2,475
Emergency Telephone System				
Capital Outlay	857,000	210,000	364,580	(154,580)
	857,000	210,000	364,580	(154,580)
Total Public Safety	857,000	853,800	1,005,905	(152,105)
Public Works				
Roads, Highways and Bridges				
Other Services and Charges	-	160,000	158,729	1,271
Capital Outlay	5,275,000	5,118,745	5,076,714	42,031
Total Public Works	5,275,000	5,278,745	5,235,443	43,302
Culture and Recreation				
Recreation				
Capital Outlay	7,108,000	6,657,455	497,788	6,159,667
Total Culture and Recreation	7,108,000	6,657,455	497,788	6,159,667
Total expenditures	13,240,000	12,790,000	6,739,136	6,050,864
Net changes in fund balance	$ (13,240,000)	$ (12,790,000)	(6,561,447)	$ 6,228,553
Fund balance, beginning of year			15,264,049	
Fund balance, end of year			$ 8,702,602	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 12,000,000	$ 14,000,000	$ 14,322,252	$ 322,252
Intergovernmental	-	-	16,415	16,415
Investment Income	60,000	60,000	69,244	9,244
Total Revenues	12,060,000	14,060,000	14,407,911	347,911
Expenditures				
Public Safety				
Sheriff				
Capital Outlay	800,000	371,700	266,637	105,063
	800,000	371,700	266,637	105,063
Fire				
Capital Outlay	500,000	484,500	192,943	291,557
	500,000	484,500	192,943	291,557
Emergency Telephone System				
Capital Outlay	1,643,000	1,790,000	1,671,782	118,218
	1,643,000	1,790,000	1,671,782	118,218
Total Public Safety	2,943,000	2,646,200	2,131,362	514,838
Public Works				
Roads, Highways and Bridges				
Capital Outlay	7,225,000	7,221,255	2,811,120	4,410,135
Total Public Works	7,225,000	7,221,255	2,811,120	4,410,135
Culture and Recreation				
Recreation				
Other Services and Charges	-	279,292	125,041	154,251
Capital Outlay	1,892,000	2,063,253	-	2,063,253
Total Culture and Recreation	1,892,000	2,342,545	125,041	2,217,504
Housing and Development				
Economic Development				
Capital Outlay	-	-	40,597	(40,597)
Total Housing and Development	-	-	40,597	(40,597)
Intergovernmental	-	1,850,000	1,839,227	10,773
Total expenditures	12,060,000	14,060,000	6,947,347	7,112,653
Net change in fund balance	$ -	$ -	7,460,564	$ 7,460,564
Fund balance, beginning of year			13,756,882	
Fund balance, end of year			$ 21,217,446	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 3,200,000	$ 9,800,000	$ 10,296,785	$ 496,785
Investment Income	-	-	4,138	4,138
Total Revenues	3,200,000	9,800,000	10,300,923	500,923
Expenditures				
General Government				
Capital Outlay	-	-	768,490	(768,490)
Total General Government	-	-	768,490	(768,490)
Public Works				
Roads, Highways and Bridges				
Capital Outlay	3,000,000	5,000,000	4,693,977	306,023
Total Public Works	3,000,000	5,000,000	4,693,977	306,023
Housing and Development				
Community Development				
Payment to Industrial Building Authority	-	3,675,000	3,673,329	1,671
Capital Outlay	-	800,000	707,763	92,237
	-	4,475,000	4,381,092	93,908
Airport				
Capital Outlay	200,000	325,000	328,000	(3,000)
Total Housing and Development	200,000	4,800,000	4,709,092	90,908
Total expenditures	3,200,000	9,800,000	10,171,559	(371,559)
Excess (deficiency)of revenues over (under)expenditures	-	-	129,364	129,364
Other financing sources (uses)				
GEFA loan proceeds	-	-	768,490	768,490
Transfers out	(655,000)	(655,000)	(655,000)	-
Total other financing sources (uses)			113,490	768,490
Net change in fund balance	$ (655,000)	$ (655,000)	242,854	$ 897,854
Fund balance, beginning of year			1,923,895	
Fund balance, end of year			$ 2,166,749	

Non-Major Funds

Paulding County, Georgia

Non-major Governmental Funds

June 30, 2013

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 a portion of fine money received from the court system and expended on drug treatment or education.

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.

The **Fire Tax Fund** is used to account 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.

Debt Service Fund

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

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING BALANCE SHEET

June 30, 2013

	Total Nonmajor Special Revenue	Debt Service	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 8,514,983	$ 1,297,231	$ 9,812,214
Receivables, net			
Property taxes	387,774	280,760	668,534
Other	309,204	-	309,204
Due from other funds	-	195,058	195,058
Total assets	$ 9,211,961	$ 1,773,049	$ 10,985,010
Liabilities			
Accounts payable	$ 41,149	$ 1,000	$ 42,149
Due to other funds	355,285	-	355,285
Total liabilities	396,434	1,000	397,434
Deferred Inflow of Resources			
Unavailable revenue - property taxes	355,089	256,187	611,276
Total liabilities and deferred inflows of resources	751,523	257,187	1,008,710
Fund Balances			
Restricted fund balance	8,269,651	1,515,862	9,785,513
Committed fund balance	190,787	-	190,787
Total fund balances	8,460,438	1,515,862	9,976,300
Total liabilities, deferred inflows of resources, and fund balances	$ 9,211,961	$ 1,773,049	$ 10,985,010

Paulding County, Georgia

All Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES

For the year ended June 30, 2013

	Total Nonmajor Special Revenue	Debt Service	Nonmajor Governmental Funds
Revenues			
Taxes	$ 8,724,383	$ 6,095,894	$ 14,820,277
Intergovernmental	42,697	-	42,697
Charges for Services	2,419,229	-	2,419,229
Fines and Forfeitures	421,176	-	421,176
Investment Income	34,396	6,686	41,082
Contributions and Donations	16,400	-	16,400
Total Revenues	11,658,281	6,102,580	17,760,861
Expenditures			
Current			
Judicial	266,871	-	266,871
Public Safety	10,523,711	-	10,523,711
Debt Service			
Principal retirement	-	2,970,000	2,970,000
Interest and fees	-	3,504,287	3,504,287
Capital Outlay	96,809	-	96,809
Total expenditures	10,887,391	6,474,287	17,361,678
Excess (deficiency) of revenues over (under) expenditures	770,890	(371,707)	399,183
Other financing sources (uses)			
Transfers In	10,836	655,000	665,836
Net change in fund balances	781,726	283,293	1,065,019
Fund balances, beginning of year	7,678,712	1,232,569	8,911,281
Fund balances, end of year	$ 8,460,438	$ 1,515,862	$ 9,976,300

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue
COMBINING BALANCE SHEET

June 30, 2013

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confiscation	Fire Tax	Total Non-Major Special Revenue
Assets											
Cash and cash equivalents	$ 102,015	$ 753,538	$ 1,050,480	$ 143,088	$ 112,746	$ 445,942	$ 88,851	$ 190,787	$ 24,814	$ 5,602,722	$ 8,514,983
Receivables, net											
Property taxes	-	-	-	-	-	-	-	-	-	387,774	387,774
Other	-	302,434	6,529	-	241	-	-	-	-	-	309,204
Total assets	$ 102,015	$ 1,055,972	$ 1,057,009	$ 143,088	$ 112,987	$ 445,942	$ 88,851	$ 190,787	$ 24,814	$ 5,990,496	$ 9,211,961
Liabilities											
Accounts payable	$ -	$ 24,223	$ -	$ 900	$ -	$ -	$ -	$ -	$ -	$ 16,026	$ 41,149
Due to other funds	-	52,221	545	-	-	-	-	-	-	302,519	355,285
Total liabilities	-	76,444	545	900	-	-	-	-	-	318,545	396,434
Deferred Inflows of Resources											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	355,089	355,089
Total liabilities and deferred inflows of resources	-	76,444	545	900	-	-	-	-	-	673,634	751,523
Fund Balances											
Restricted fund balance	102,015	979,528	1,056,464	142,188	112,987	445,942	88,851	-	24,814	5,316,862	8,269,651
Committed fund balance	-	-	-	-	-	-	-	190,787	-	-	190,787
Total fund balances	102,015	979,528	1,056,464	142,188	112,987	445,942	88,851	190,787	24,814	5,316,862	8,460,438
Total liabilities, deferred inflows of resources and fund balances	$ 102,015	$ 1,055,972	$ 1,057,009	$ 143,088	$ 112,987	$ 445,942	$ 88,851	$ 190,787	$ 24,814	$ 5,990,496	$ 9,211,961

Paulding County, Georgia

Nonmajor Governmental Funds - Special Revenue

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2013

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confiscation	Fire Tax	Total Non-major Special Revenue
Revenues											
Taxes	$ -	$ -	-	-	-	-	-	-	-	8,724,383	8,724,383
Intergovernmental	-	-	-	-	-	-	-	-	-	42,697	42,697
Charges for Services	-	2,008,106	-	-	37,415	123,678	54,700	195,330	-	-	2,419,229
Fines and Forfeitures	140,386	-	230,177	23,775	-	-	-	-	24,813	2,025	421,176
Investment Income	-	4,684	2,777	419	277	1,154	-	-	-	25,085	34,396
Contributions and Donations	-	-	-	-	-	-	-	-	-	16,400	16,400
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	140,386	2,012,790	232,954	24,194	37,692	124,832	54,700	195,330	24,813	8,810,590	11,658,281
Expenditures											
Current											
Judicial	111,513	-	-	-	-	61,792	70,912	-	22,654	-	266,871
Public Safety	-	2,184,275	3,188	35,547	13,899	-	-	200,109	-	8,086,693	10,523,711
Capital Outlay	-	-	81,809	-	-	-	-	-	-	15,000	96,809
Total expenditures	111,513	2,184,275	84,997	35,547	13,899	61,792	70,912	200,109	22,654	8,101,693	10,887,391
Excess (deficency) of revenues over (under) expenditures	28,873	(171,485)	147,957	(11,353)	23,793	63,040	(16,212)	(4,779)	2,159	708,897	770,890
Other financing sources (uses)											
Transfers In	-	10,836	-	-	-	-	-	-	-	-	10,836
Net change in fund balances	28,873	(160,649)	147,957	(11,353)	23,793	63,040	(16,212)	(4,779)	2,159	708,897	781,726
Fund balances, beginning of year	73,142	1,140,177	908,507	153,541	89,194	382,902	105,063	195,566	22,655	4,607,965	7,678,712
Fund balances, end of year	$ 102,015	$ 979,528	$ 1,056,464	$ 142,188	$ 112,987	$ 445,942	$ 88,851	$ 190,787	$ 24,814	$ 5,316,862	$ 8,460,438

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, 2013

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$ 70,000	$ 80,000	$ 140,386	$ 60,386
Total Revenues	70,000	80,000	140,386	60,386
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	125,000	125,000	111,513	13,487
Total Judicial	125,000	125,000	111,513	13,487
Total expenditures	125,000	125,000	111,513	13,487
Net change in fund balance	$ (55,000)	$ (45,000)	28,873	$ 73,873
Fund balance, beginning of year			73,142	
Fund balance, end of year			$ 102,015	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 2,000,000	$ 2,000,000	$ 2,008,106	$ 8,106
Investment income	-	-	4,684	4,684
Total Revenues	2,000,000	2,000,000	2,012,790	12,790
Expenditures				
Public safety				
Emergency telephone system				
Personnel services	1,632,000	1,586,700	1,561,949	24,751
Other services and charges	705,000	750,300	622,326	127,974
Total expenditures	2,337,000	2,337,000	2,184,275	152,725
Excess (deficiency)of revenues over (under)expenditures	(337,000)	(337,000)	(171,485)	165,515
Other financing sources				
Transfers In	-	-	10,836	10,836
Net change in fund balance	$ (337,000)	$ (337,000)	(160,649)	$ 176,351
Fund balance, beginning of year			1,140,177	
Fund balance, end of year			$ 979,528	

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, 2013

	Budgeted Amounts			Variances Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$ 250,000	$ 250,000	$ 230,177	$ (19,823)
Investment Income	-	-	2,777	2,777
Total Revenues	250,000	250,000	232,954	(17,046)
Expenditures				
Public Safety				
Sheriff				
Other Services and Charges	-	10,000	3,188	6,812
Capital Outlay	250,000	240,000	81,809	158,191
Total expenditures	250,000	250,000	84,997	165,003
Net change in fund balance	$ -	$ -	147,957	$ 147,957
Fund balance, beginning of year			908,507	
Fund balance, end of year			$ 1,056,464	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 40,000	$ 40,000	$ 23,775	$ (16,225)
Investment Income	-	-	419	419
Total Revenues	40,000	40,000	24,194	(15,806)
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	40,000	40,000	35,547	4,453
Total Public Safety	40,000	40,000	35,547	4,453
Total expenditures	40,000	40,000	35,547	4,453
Net change in fund balance	$ -	$ -	(11,353)	$ (11,353)
Fund balance, beginning of year			153,541	
Fund balance, end of year			$ 142,188	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 175,000	$ 30,000	$ 37,415	$ 7,415
Investment Income	-	-	277	277
Total Revenues	175,000	30,000	37,692	7,692
Expenditures				
Public Safety				
Sheriff				
Drug abuse program	175,000	40,000	13,899	26,101
Total Public Safety	175,000	40,000	13,899	26,101
Total expenditures	175,000	40,000	13,899	26,101
Net change in fund balance	$ -	$ (10,000)	23,793	$ 33,793
Fund balance, beginning of year			89,194	
Fund balance, end of year			$ 112,987	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenue				
Charges for Services	$ 80,000	$ 88,000	$ 123,678	$ 35,678
Investment Income	-	2,000	1,154	(846)
Total Revenues	80,000	90,000	124,832	34,832
Expenditures				
Judicial				
Clerk's Technology	80,000	90,000	61,792	28,208
Total Judicial	80,000	90,000	61,792	28,208
Total expenditures	80,000	90,000	61,792	28,208
Net change in fund balance	$ -	$ -	63,040	$ 63,040
Fund balance, beginning of year			382,902	
Fund balance, end of year			$ 445,942	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 10,000	$ 50,000	$ 54,700	$ 4,700
Total Revenues	10,000	50,000	54,700	4,700
Expenditures				
Judicial				
Court's - other charges	10,000	70,000	70,912	(912)
Total Judicial	10,000	70,000	70,912	(912)
Total expenditures	10,000	70,000	70,912	(912)
Net change in fund balance	$ -	$ (20,000)	(16,212)	$ 3,788
Fund balance, beginning of year			105,063	
Fund balance, end of year			$ 88,851	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	$ 300,000	$ 185,000	$ 195,330	$ 10,330
Total Revenues	300,000	185,000	195,330	10,330
Expenditures				
Public Safety				
Sheriff				
Commissary	300,000	185,000	200,109	(15,109)
Total Public Safety	300,000	185,000	200,109	(15,109)
Total expenditures	300,000	185,000	200,109	(15,109)
Net change in fund balance	$ -	$ -	(4,779)	$ (4,779)
Fund balance, beginning of year			195,566	
Fund balance, end of year			$ 190,787	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Fines and Forfeitures	$ 125,000	$ 10,000	$ 24,813	$ 14,813
Total Revenues	125,000	10,000	24,813	14,813
Expenditures				
Judicial				
District Attorney				
Victim Witness Program	25,000	25,000	22,654	2,346
Total Judicial	25,000	25,000	22,654	2,346
Public Safety				
Sheriff				
Community Service program	100,000	-	-	-
Total Public Safety	100,000	-	-	-
Total expenditures	125,000	25,000	22,654	2,346
Net change in fund balance	$ -	$ (15,000)	2,159	$ 17,159
Fund balance, beginning of year			22,655	
Fund balance, end of year			$ 24,814	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 8,675,000	$ 8,650,000	$ 8,724,383	$ 74,383
Intergovernmental Revenue	-	100,000	42,697	(57,303)
Fines and Forfeitures	-	-	2,025	2,025
Investment Income	-	20,000	25,085	5,085
Contributions and Donations	-	16,400	16,400	-
Total Revenues	8,675,000	8,786,400	8,810,590	24,190
Expenditures				
Public Safety				
Fire				
Personnel Services	7,250,000	7,502,100	7,372,358	129,742
Other Services and Charges	800,000	777,900	714,335	63,565
Capital Outlay	20,000	20,000	15,000	5,000
Total expenditures	8,070,000	8,300,000	8,101,693	198,307
Net change in fund balance	$ 605,000	$ 486,400	708,897	$ 222,497
Fund balance, beginning of year			4,607,965	
Fund balance, end of year			$ 5,316,862	

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, 2013

	Budgeted Amounts			Variances Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 5,815,000	$ 5,815,000	$ 6,095,894	$ 280,894
Investment Income	5,000	5,000	6,686	1,686
Total Revenues	5,820,000	5,820,000	6,102,580	282,580
Expenditures				
Debt Service:				
Principal retirement	2,970,000	2,970,000	2,970,000	-
Interest and fees	3,505,000	3,705,000	3,504,287	200,713
	6,475,000	6,675,000	6,474,287	200,713
Total expenditures	6,475,000	6,675,000	6,474,287	200,713
Excess (deficiency) of revenues over (under) expenditures	(655,000)	(855,000)	(371,707)	483,293
Other financing sources				
Transfers In	655,000	655,000	655,000	-
Net change in fund balance	$ -	$ (200,000)	283,293	$ 483,293
Fund balance, beginning of year			1,232,569	
Fund balance, end of year			$ 1,515,862	

Paulding County, Georgia

Nonmajor Enterprise Funds
COMBINING STATEMENT OF NET POSITION

June 30, 2013

	Solid Waste	DFACS Building	Totals
ASSETS			
Current Assets			
Cash	$ -	$ 455,387	$ 455,387
Accounts receivable, net	47,135	-	47,135
Due from general fund	225,707	-	225,707
Total current assets	272,842	455,387	728,229
Noncurrent assets			
Capital assets			
Land	612,233	-	612,233
Plant and equipment	2,035,972	3,114,495	5,150,467
Less: accumulated depreciation	(1,773,402)	(875,948)	(2,649,350)
Total noncurrent assets	874,803	2,238,547	3,113,350
Total assets	1,147,645	2,693,934	3,841,579
LIABILITIES			
Current Liabilities			
Accounts payable	40,950	-	40,950
Accrued interest	-	2,727	2,727
Compensated Absences	9,623	-	9,623
Due to general fund	-	140	140
Current portion of loans payable	-	179,983	179,983
Current portion of post closure care costs	357,931	-	357,931
Total current liabilities	408,504	182,850	591,354
Long-Term Liabilities, net of current portion			
Loans payable	-	578,215	578,215
Post closure care costs	3,221,381	-	3,221,381
Total long-term liabilities	3,221,381	578,215	3,799,596
Total liabilities	3,629,885	761,065	4,390,950
NET POSITION			
Net Investment in capital assets	874,803	1,480,349	2,355,152
Unrestricted	(3,357,043)	452,520	(2,904,523)
TOTAL NET POSITION	$ (2,482,240)	$ 1,932,869	$ (549,371)

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

For the year ended June 30, 2013

	Solid Waste	DFACS Building	Total
Operating revenues:			
Miscellaneous revenues	$ 6,890	$ -	$ 6,890
Landfill and recycling fees	565,142	-	565,142
Lease income	-	343,971	343,971
Total operating revenues	572,032	343,971	916,003
Operating expenses:			
Salaries and wages	120,580	-	120,580
Fringe benefits	49,416	-	49,416
Operating expenses	702,309	14,792	717,101
Depreciation	63,694	77,862	141,556
Total operating expenses	935,999	92,654	1,028,653
Operating income (loss)	(363,967)	251,317	(112,650)
Nonoperating revenues (expenses):			
Interest expense	-	(40,781)	(40,781)
Total nonoperating revenue (expenses)	-	(40,781)	(40,781)
Transfer in	200,000	-	200,000
Change in net position	(163,967)	210,536	46,569
Total net position-beginning	(2,318,273)	1,722,333	(595,940)
Total net position-ending	$ (2,482,240)	$ 1,932,869	$ (549,371)

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

For the year ended June 30, 2013

	Solid Waste	DFACS Building	Total
Cash flows from operating activities:			
Cash received from customer	$ 592,263	$ 343,971	$ 936,234
Cash payments for goods and services	(622,522)	(20,399)	(642,921)
Cash payments for employee services and fringe benefits	(169,741)	-	(169,741)
Net cash provided by (used in) operating activities	(200,000)	323,572	123,572
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	-	(171,454)	(171,454)
Interest paid	-	(41,432)	(41,432)
Net cash used in capital and related financing activities	-	(212,886)	(212,886)
Net increase in cash and cash equivalents	-	110,686	110,686
Cash and cash equivalents, July 1	$ -	$ 344,701	$ 344,701
Cash and cash equivalents, June 30	$ -	$ 455,387	$ 455,387
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (363,967)	$ 251,317	$ (112,650)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	63,694	77,862	141,556
Decrease in accounts receivable	20,231	-	20,231
(Increase) in due from other funds	(164,462)	-	(164,462)
Increase in accounts payable	17,719	-	17,719
Increase in compensated absences payable	255	-	255
(Decrease) in due to other funds	-	(5,607)	(5,607)
Increase in post closure care costs	226,530	-	226,530
Total adjustments	163,967	72,255	236,222
Net cash provided (used) by operating activities	$ (200,000)	$ 323,572	$ 123,572

Fiduciary Funds

Paulding County, Georgia

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

June 30, 2013

ASSETS

	Agency Funds					
	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Judge	Court Administration	Total
Assets						
Cash and cash equivalents	$ 1,313,101	$ 1,177,648	$ 55,241	$ 100,055	$ 23,787	$ 2,669,832
Taxes receivable	2,725,955	-	-	-	-	2,725,955
	$ 4,039,056	$ 1,177,648	$ 55,241	$ 100,055	$ 23,787	$ 5,395,787

LIABILITIES

Liabilities						
Due to others	$ 4,039,056	$ 1,177,648	$ 55,241	$ 100,055	$ 23,787	$ 5,395,787
Total liabilities	$ 4,039,056	$ 1,177,648	$ 55,241	$ 100,055	$ 23,787	$ 5,395,787

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2013

	June 30, 2012	Additions	Deductions	Eliminations	June 30, 2013
Tax Commissioner					
ASSETS					
Cash	$ 342,080	$ 101,739,520	$ 100,276,756	$ (491,743)	$ 1,313,101
Taxes Receivable	3,962,360	77,200,835	78,437,240	-	2,725,955
Total Assets	$ 4,304,440	$ 178,940,355	$ 178,713,996	$ (491,743)	$ 4,039,056
LIABILITIES					
Due to Others	$ 4,304,440	$ 178,940,355	$ 178,713,996	$ (491,743)	$ 4,039,056
Total Liabilities	$ 4,304,440	$ 178,940,355	$ 178,713,996	$ (491,743)	$ 4,039,056
Clerk of Superior Court					
ASSETS					
Cash	$ 1,106,523	$ 5,644,635	$ 5,532,394	$ (41,116)	$ 1,177,648
Total Assets	$ 1,106,523	$ 5,644,635	$ 5,532,394	$ (41,116)	$ 1,177,648
LIABILITIES					
Due to Others	$ 1,106,523	$ 5,644,635	$ 5,532,394	$ (41,116)	$ 1,177,648
Total Liabilities	$ 1,106,523	$ 5,644,635	$ 5,532,394	$ (41,116)	$ 1,177,648
Sheriff					
ASSETS					
Cash	$ 53,461	$ 766,411	$ 767,872	$ 3,241	$ 55,241
Total Assets	$ 53,461	$ 766,411	$ 767,872	$ 3,241	$ 55,241
LIABILITIES					
Due to Others	$ 53,461	$ 766,411	$ 767,872	$ 3,241	$ 55,241
Total Liabilities	$ 53,461	$ 766,411	$ 767,872	$ 3,241	$ 55,241

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2013

	June 30, 2012	Additions	Deductions	Eliminations	June 30, 2013
Probate Judge					
ASSETS					
Cash	$ 97,553	$ 2,121,780	$ 2,105,751	$ (13,527)	$ 100,055
Total Assets	$ 97,553	$ 2,121,780	$ 2,105,751	$ (13,527)	$ 100,055
LIABILITIES					
Due to Others	$ 97,553	$ 2,121,780	$ 2,105,751	$ (13,527)	$ 100,055
Total Liabilities	$ 97,553	$ 2,121,780	$ 2,105,751	$ (13,527)	$ 100,055
Court Administration					
ASSETS					
Cash	$ 23,111	$ 672,585	$ 671,909	$ -	$ 23,787
Total Assets	$ 23,111	$ 672,585	$ 671,909	$ -	$ 23,787
LIABILITIES					
Due to Others	$ 23,111	$ 672,585	$ 671,909	$ -	$ 23,787
Total Liabilities	$ 23,111	$ 672,585	$ 671,909	$ -	$ 23,787
Totals					
ASSETS					
Cash	$ 1,622,728	$ 110,944,931	$ 109,354,682	$ (543,145)	$ 2,669,832
Taxes Receivable	3,962,360	77,200,835	78,437,240	-	2,725,955
Total Assets	$ 5,585,088	$ 188,145,766	$ 187,791,922	$ (543,145)	$ 5,395,787
LIABILITIES					
Due to Others	$ 5,585,088	$ 188,145,766	$ 187,791,922	$ (543,145)	$ 5,395,787
Total Liabilities	$ 5,585,088	$ 188,145,766	$ 187,791,922	$ (543,145)	$ 5,395,787

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX III EXPENDITURES

For the Year Ended June 30, 2013

	Original Budgeted Cost	Expenditures Prior Years**	Expenditures Current Year	Total
Roads, streets and bridges	$ 40,500,000	$ 33,085,586	$ 5,235,443	$ 38,321,029
Public Safety and Fire Protection Facilities and Equipment	12,150,000	10,863,170	1,005,905	11,869,075
Recreation	28,350,000	18,281,080	497,788	18,778,868
	81,000,000	62,229,836	6,739,136	68,968,972
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	$ 69,010,610	$ 6,739,136	$ 75,749,746
Non-SPLOST expenditures*				
Roads, streets and bridges	$ -	$ 8,260,841	$ -	$ 8,260,841
Public Safety and Fire Protection Facilities and Equipment	-	21,000	-	21,000
Recreation	-	140,677	-	140,677
	-	8,422,518	-	8,422,518
Total Projects	$ 90,000,000	$ 77,433,128	$ 6,739,136	$ 84,172,264

*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	$ 5,539,838
State Department of Community Affairs	30,000
City of Dallas	382,190
U.S. Department of Energy	51,000
Governor's Emergency Management Agency	80,677
Developers	2,338,813
	$ 8,422,518

**Prior year totals were adjusted to account for the contributions added to SPLOST for projects.

	Prior Year Adjustment
Roads and Bridges	$ 3,550,137
Public Safety	21,000
Recreation	30,000
	$ 3,601,137

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX IV EXPENDITURES

For the Year Ended June 30, 2013

	Original Budgeted Cost	Expenditures Prior Years	Expenditures Current Year	Total
Roads, streets and bridges	$ 47,528,348	$ 1,614,778	$ 2,794,705	$ 4,409,483
Public Safety and Fire Protection Facilities and Equipment	17,554,024	-	2,131,362	2,131,362
Recreation	16,560,400	195,073	125,041	320,114
Economic Development: Fiber Optic Communications	1,159,228	18,452	40,597	59,049
	82,802,000	1,828,303	5,091,705	6,920,008
Cities				
Dallas Projects	6,840,000	1,281,186	1,031,342	2,312,528
Hiram Projects	5,358,000	1,003,596	807,885	1,811,481
Total City Projects	12,198,000	2,284,782	1,839,227	4,124,009
Total SPLOST Projects	$ 95,000,000	$ 4,113,085	$ 6,930,932	$ 11,044,017
Non-SPLOST expenditures*				
Roads, streets and bridges	$ -	$ 277,017	$ 16,415	$ 293,432
Public Safety and Fire Protection Facilities and Equipment	-	-	-	-
Recreation	-	-	-	-
	-	277,017	16,415	293,432
Total Projects	$ 95,000,000	$ 4,390,102	$ 6,947,347	$ 11,337,449

*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	$ 293,432

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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Financial Trends
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Revenue Capacity
These schedules contain information to help the readers assess the County's most significant local revenue sources – It is property tax 114

Debt Capacity
These schedules present information to help the readers assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 118

Demographic and Economic Information
These schedules offer demographic and economic indicators to help readers understand how the information in the County's financial report relates to the services the County provides and the activities that take place. 123

Operating Information
These schedules contain service and infrastructure data to help readers understand how the information in the County's financial report relates to the services the County provides and the activities it performs. 125

Except where noted, the information in these schedules is derived from Paulding County's comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Investment in capital assets	$ 45,205	$ 54,473	$ 77,908	$ 239,623	$ 269,376	$ 286,905	$ 297,040	$ 309,392	$ 317,191	$ 323,994
Restricted	15,793	12,633	17,220	17,663	24,221	31,811	33,746	33,998	38,480	40,181
Unrestricted	19,468	24,749	21,276	20,858	19,522	18,027	20,674	24,187	27,326	36,275
Total governmental activities net position	$ 80,466	$ 91,855	$ 116,404	$ 278,144	$ 313,119	$ 336,743	$ 351,460	$ 367,577	$ 382,997	$ 400,450
Business-type activities										
Investment in capital assets	$ 49,185	$ 66,389	$ 76,138	$ 98,506	$ 114,514	$ 121,465	$ 110,792	$ 110,693	$ 109,919	$ 109,324
Restricted	11,370	5,510	9,743	29,199	28,721	19,904	18,497	20,760	18,101	17,573
Unrestricted	526	942	6,716	4,201	521	2,562	6,885	5,811	10,533	13,141
Total business-type activities net position	$ 61,081	$ 72,841	$ 92,597	$ 131,906	$ 143,756	$ 143,931	$ 136,174	$ 137,264	$ 138,553	$ 140,038
Primary government										
Investment in capital assets	$ 94,390	$ 120,862	$ 154,046	$ 338,129	$ 383,890	$ 408,370	$ 407,832	$ 420,085	$ 427,110	$ 433,318
Restricted	27,163	18,143	26,963	46,862	52,942	51,715	52,243	54,758	56,581	57,754
Unrestricted	19,994	25,691	27,992	25,059	20,043	20,589	27,559	29,998	37,859	49,416
Total primary government net position	$ 141,547	$ 164,696	$ 209,001	$ 410,050	$ 456,875	$ 480,674	$ 487,634	$ 504,841	$ 521,550	$ 540,488
Restatements	$ 417	$ 998	$ 116,368	$ -	$ -	$ (6,370)	$ 1,208	$ -	$ (1,263)	$ -
Total primary government net position, after restatements	$ 141,964	$ 165,694	$ 325,369	$ 410,050	$ 456,875	$ 474,304	$ 488,842	$ 504,841	$ 520,287	$ 540,488

Paulding County, Georgia
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 13,486,082
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	4,950,952
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	31,408,123
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	17,230,240
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	3,035,558
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	1,572,223
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	7,009,854
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	3,252,729
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	81,945,761
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	25,298,500
DFACS facility lease	180,063	163,367	164,911	159,522	182,939	160,480	149,806	145,342	136,802	133,435
Landfill	637,634	601,953	615,454	710,594	871,377	2,906,377	918,100	920,355	859,441	935,999
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	26,367,934
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	$ 108,313,695
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	$ 1,977,998
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	3,351,315
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	2,867,671
Public works	-	-	-	-	1,061,657	1,021,306	1,069,047	1,181,796	1,084,215	1,114,756
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	539,051
Other activities	945,817	1,070,636	1,121,734	1,283,062	340,607	352,270	344,837	372,423	452,223	476,720
Operating grants and contributions	764,889	1,091,666	386,169	713,552	889,127	1,311,103	455,452	726,533	866,016	618,866
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	13,268,828
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	$ 24,215,205

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

General Revenues and Other Changes in Net Position	Fiscal Year									
Business-type activities:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 25,563,847
DFACS facility lease	322,645	322,644	322,644	322,644	332,499	332,499	332,876	333,315	343,280	343,971
Landfill	593,213	606,816	535,276	640,178	644,878	683,249	762,270	742,281	764,696	572,032
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	1,677,562
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	28,157,412
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	$ 52,372,617
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)	$ (57,730,556)
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	1,789,478
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)	$ (55,941,078)
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	$ 25,594,931
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	5,870,760
Property taxes, levied for fire service	-	-	-	-	7,780,368	8,382,153	7,833,792	6,922,416	6,354,045	8,490,192
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	1,206,286
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	12,365,806
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	14,322,252
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	5,674,609
Alcoholic beverage tax	365,502	407,461	445,758	485,651	527,919	620,450	664,404	669,278	669,606	684,498
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	1,305,951
Real estate transfer tax	271,777	294,327	714,825	623,254	280,516	211,081	111,904	95,218	92,049	141,348
Business tax	-	-	-	-	-	-	-	292,780	317,596	347,367
Energy excise tax	-	-	-	-	-	-	-	-	-	717
Interest earned on investments	254,473	381,469	954,267	2,090,528	3,591,790	781,676	193,452	96,630	82,470	54,858
Gain on sale of capital assets	-	-	-	-	-	-	-	-	14,488	22,877
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)	(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	75,882,452
Business-type activities	258,625	370,696	907,825	1,904,681	1,924,851	445,117	(2,342,023)	281,978	244,214	260,256
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	$ 76,142,708
Changes in Net Position										
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	$ 18,151,896
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	2,049,734
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	$ 20,201,630

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Non-Spendable fund balance	$ 405,981	$ 382,337	$ 403,708	$ 403,053	$ 433,881	$ 348,125	$ 328,649	$ 369,532	$ 401,964	$ 479,709
Restricted								351,717	-	-
Assigned	262,713	115,338	463,458	635,774	879,252	724,303	3,094,253	3,647,117	2,820,546	7,014,545
Unassigned	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	28,007,092
Total General Fund	$ 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	$ 35,501,346
All other governmental funds										
Restricted fund balance	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	40,768,217
Committed fund balance	-	-	-	-	-	-	-	166,972	195,566	190,787
Assigned fund balance	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	1,104,093
Total all other governmental funds	$ 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	$ 42,063,097

*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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	$ 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	$ 76,420,730
Licenses and permits	1,755,005	1,615,642	1,770,807	1,684,058	827,043	418,666	314,199	396,477	401,286	583,840
Intergovernmental*	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	13,438,765
Charges for services	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	7,518,179
Fines and forfeitures	844,115	1,037,912	931,095	929,701	1,429,305	1,870,675	2,177,006	1,916,401	1,809,874	1,790,623
Investment earnings	254,473	381,469	954,266	2,056,682	3,591,789	781,674	193,451	182,125	158,175	147,622
Contributions and donations	4,296	332,477	38,527	48,479	1,253,773	881,872	469,124	596,635	202,237	357,199
Miscellaneous	306,625	292,751	226,527	320,787	525,657	442,094	544,246	314,047	384,871	433,835
Total revenues	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	100,690,793
Expenditures										
General government	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	11,010,598
Judicial	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	4,927,934
Public Safety	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	29,683,023
Public works	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	8,537,966
Health and welfare	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	1,012,845
Culture and recreation	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	2,799,616
Housing and development	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	1,943,792
Capital outlay	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	18,158,525
Debt service										
Principal	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	2,970,000
Interest	722,878	520,215	430,496	405,656	3,181,795	4,034,357	3,860,850	3,693,609	3,600,576	3,504,287
Issuance costs	-	-	-	1,107,269	-	-	138,064	-	-	-
Intergovernmental	-	-	-	-	-	-	1,350,696	1,439,814	1,843,534	5,512,556
Total expenditures	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	90,061,142
Excess of revenues over (under) expenditures	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	10,629,651
Other financing sources (uses)										
Transfers in	145,500	3,555,500	3,925,600	3,738,506	7,860,275	6,960,000	4,990,595	-	-	665,836
Transfers out	(195,500)	(3,555,500)	(3,975,600)	(3,788,506)	(6,172,500)	(7,460,000)	(2,535,000)	(200,000)	(200,000)	(865,836)
Refunding bonds issued	5,029,800	-	-	-	-	-	5,129,938	-	-	-
Bonds issued	-	-	-	79,885,000	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-	-	768,490
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	22,877
Total other financing sources (uses)	(50,000)	-	(50,000)	83,516,868	1,687,775	(500,000)	2,308,659	(164,837)	(185,512)	591,367
Net change in fund balances	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	11,221,018
Debt service as a percentage of noncapital expenditures	6.18%	5.67%	2.99%	3.70%	7.47%	10.31%	10.38%	9.75%	9.81%	8.87%

* 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
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
2012	2,139,438	88,174	784,480	3,012,091	13.444	7,530,228

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
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
2012	8.29	8.29	2.05	3.10	13.44	18.91	0.00	18.91	0.20	4.17	-	36.72

Source: Paulding County Board of Commissioners Minutes

Paulding County, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2013

	2013			2004		
Taxpayer	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	$ 402,989	1	1.23%	$ 376,346	1	2.42%
City of Atlanta	166,670	3	0.51%	157,650	8	1.01%
Jones Co. Ltd.	135,899	7	0.41%	359,928	2	2.32%
IA Hiram Smith L.L.Cl	155,756	4	0.47%	277,408	3	1.79%
Norfolk Southern	147,020	5	0.45%			
Atlanta Gas Light				142,630	9	0.92%
Wal-Mart	111,707	9	0.34%	195,495	6	1.26%
Georgia Transmission Corp.	270,875	2	0.83%			
Inland Container				231,968	5	1.49%
MRP Paulding LLC	104,240	10	0.32%			
Georgia Power Company	129,940	8	0.40%	142,403	10	0.92%
BellSouth Communications	137,804	6	0.42%	267,034	4	1.72%
Paulding Associates				169,333	7	1.09%

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
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	31,683,214	30,905,979	97.55%	777,235	31,683,214	100.00%
2013	33,442,318	32,705,751	97.80%	-	32,705,751	97.80%

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	Loans Payable	Revenue Bonds	Loans Payable	Installment Note	Primary Government	of Personal Income	Per Capita
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	-	43,522,480	831,616	1,991,867	57,163,126	2.17%	502
2006	9,740,000	-	-	41,879,006	713,015	1,825,465	54,157,486	1.90%	448
2007	92,583,361	-	-	40,108,914	570,605	1,670,037	134,932,917	4.70%	1,075
2008	90,506,751	-	-	38,253,822	419,435	1,537,266	130,717,274	4.54%	1,022
2009	87,915,141	-	-	52,672,479	258,966	1,396,653	142,243,239	3.62%	1,068
2010	85,074,829	-	-	50,137,998	6,829,724	1,248,440	143,290,991	3.24%	1,049
2011	82,160,679	-	-	47,072,085	6,438,771	1,092,852	136,764,387	2.79%	931
2012	79,387,554	-	-	43,856,877	5,999,669	929,652	130,173,752	2.66%	907
2013	76,213,797	-	768,490	41,466,200	5,704,592	758,198	124,911,277	2.36%	863

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
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	92,583,361	2,472,717	90,110,644	2.32%	719
2008	127,906	4,346,839	90,506,751	1,285,973	89,220,778	2.05%	698
2009	133,135	4,586,937	87,915,141	1,275,280	86,639,861	1.89%	651
2010	136,655	4,322,570	85,074,829	1,059,728	84,015,101	1.94%	615
2011	142,324	3,586,423	82,160,679	1,313,563	80,847,116	2.25%	568
2012	143,542	3,272,271	79,387,554	1,232,569	78,154,985	2.39%	544
2013	144,800	3,012,091	76,213,737	1,515,862	74,697,875	2.48%	516

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, 2013

Governmental Unit	Debt Outstanding	Estimated* Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
General Obligation Bonds	$ 76,213,737	100%	$ 76,213,737
Loans Payable	768,490	100%	768,490
Total Direct	76,982,227		76,982,227
Overlapping:			
Paulding County School District:			
General Obligation Bonds	115,905,000	90%	104,314,500
Capital Leases	1,835,566	90%	1,652,009
City of Dallas			
Intergovernmental Contracts	6,445,000	6%	386,700
GEFA Loans	4,105,126	6%	246,308
Total Overlapping:	128,290,692		106,599,518
Total Direct and Overlapping	$ 205,272,919		$ 183,581,745

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value of Property	$ 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	$ 3,012,091,356
Less: Special Homestead Exemption	(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)	(224,685,721)
Exempt of all County Taxes and Freeport	-	-	-	-	-	-	-	-	-	-
Assessed Value for Bond Purposes	$ 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	$ 2,787,405,635
Debt Limit - 10% of Assessed Value	$ 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	$ 278,740,564
Amount of Debt Applicable to Debt Limit:										
Total Long-Term Debt	$ 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	$ 73,870,000
Less: Available in Debt Service Fund	(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)	(1,515,862)
Total Amount Applicable to Debt Limit	$ 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	$ 72,354,138
Legal Debt Margin	$ 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	$ 206,386,426
Total net debt applicable to the limit as a percentage of debt limit	4.08%	3.15%	2.33%	23.44%	20.68%	19.06%	19.68%	22.98%	24.81%	25.96%

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
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
2013	25,296,030	17,938,024	7,358,006	3,130,000	1,746,914	4,876,914	1.51

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

Paulding County, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Income (2)	Unemployment Rate (3)
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%
2013	144,800	5,283,028	36,485	8.3%

(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

	2013			2004		
Employer	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
Paulding County Board of Education	3808	1	5.66%	2500	1	4.36%
Paulding County Government	806	4	1.20%	650	2	1.13%
Wal-mart Associates Inc.	1715	3	2.55%	625	3	1.09%
WellStar Health System Inc	3789	2	5.63%	350	4	0.61%
Home Depot	150	9	0.22%			
Metromont Prestress Company	150	10	0.22%	200	6	0.35%
Target Corporation	160	8	0.24%	160	7	0.28%
Learning Bridge	176	6	0.26%			
Kroger	671	5	1.00%	90	10	0.16%
BellSouth Telecommunications				115	9	0.20%
Aiken Grading				260	5	0.45%
Publix Super Markets	175	7	0.26%	117	8	0.20%

Source: Georgia Department of Labor
Number of employees are estimated

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

	Full-time Equivalent Employees as of June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General Government	69	78	82	85	84	81	77	74	74	74
Judicial	49	45	47	71	70	70	64	62	62	67
Public Safety	52	60	61	61	54	44	47	47	48	49
Firefighters	61	69	75	81	85	112	118	129	129	138
Sheriff	209	230	240	269	268	269	278	268	272	282
Public Works	80	87	94	96	94	88	88	80	80	81
Department of Transportation	58	59	61	64	61	59	53	55	55	58
Health and welfare	11	9	9	8	8	8	8	7	7	8
Culture and recreation	37	36	37	38	39	34	34	35	35	35
Housing and development	23	26	28	25	25	12	13	14	13	14
Total	646	681	734	798	788	777	780	771	775	806

Source: Paulding County Finance Department - Budget Documents

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
Public Safety										
Animal Control cases	6,108	5,810	5,866	7,801	6,513	5,898	5,232	4,983	3,868	3,636
Emergency 911 ** call volume	275,497	111,065	140,673 *	188,029	203,401	228,760	218,627	218,627	285,813	285,813
Marshall call volume	1,123	999	1,272	1,190	986	1,094	831	1,725	3,133	2,834
Fire call volume	8,045	8,907	8,659	9,001	9,140	9,297	9,799	10,379	10,772	10,772
Sheriff call volume	52,334	44,621	46,233	58,054	73,221	71,054	71,925	71,925	64,197	64,405
Health and welfare										
Senior Programs	1,110	1,213	1,265	1,485	1,400	1,092	1,100	1,080	1,085	1,085
Transit Trips	28,658	34,622	38,680	29,470	39,745	42,809	43,450	43,520	43,200	43,200
Meals on Wheels	n/a	n/a	3,828	18,571	19,620	29,107	29,220	29,200	29,150	29,150
Culture and recreation										
Recreation programs	64	79	98	110	103	165	115	121	180	180
Housing and development										
Permits issued	3,202	3,460	3,686	2,953	1,600	812	741	536	474	474

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General Government										
Buildings	50	50	51	51	51	51	52	52	52	52
Public Safety										
Fire stations	10	10	10	10	10	10	11	12	12	12
Culture and recreation										
Acreage	650	650	832	923.4	1014.8	1106.2	1197.6	1197.6	1197.6	1197.6
Parks	8	8	10	11	11	11	11	11	11	11

Source: Paulding County Government asset records