PAULDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2016

Prepared By:
The Paulding County Finance Department

INTRODUCTORY SECTION

PAULDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

- Table of Contents ..... i-iii
- Letter of Transmittal ..... iv-viii
- Certificate of Achievement for Excellence in Financial Reporting ix
- Principal Officials x
- Organizational Chart xi

FINANCIAL SECTION

- Independent Auditor's Report 1-4
- Management's Discussion and Analysis 5-13
- Basic Financial Statements:
  - Government-wide Financial Statements:
    - Statement of Net Position 14
    - Statement of Activities 15
  - Fund Financial Statements:
    - Balance Sheet – Governmental Funds 16
    - Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position 17
    - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 18
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 19
    - Statement of Net Position – Proprietary Funds 20
    - Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 21
    - Statement of Cash Flows – Proprietary Funds 22
    - Statement of Fiduciary Assets and Liabilities – Agency Funds 23
  - Notes to Financial Statements 24-64
- Required Supplementary Information:
  - General Fund – Budgetary Comparison Schedule – GAAP Basis ..... 65 and 66
  - Fire Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual 67
  - Schedule of Changes in the County's Net Pension Liability and Related Ratios 68
  - Schedule of County Contributions 69

PAULDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

FINANCIAL SECTION (Continued) **Page**

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds **70**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds **71**

Victim's-Witness Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **72**

Emergency 911 Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **73**

Jail Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **74**

Supplemental Juvenile Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **75**

Drug Use Treatment Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **76**

Clerk's Technology Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **77**

Law Library Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **78**

Sheriff Commissary Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **79**

Drug Confiscation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actal **80**

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual **81**

Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds ..... **82 and 83**

Combining Statement of Net Position – Nonmajor Proprietary Funds **84**

Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds **85**

Combining Statement of Cash Flows – Nonmajor Proprietary Funds **86**

Combining Statement of Assets and Liabilities – Agency Funds **87**

Statement of Changes in Assets and Liabilities – Agency Funds ..... **88 and 89**

PAULDING COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

STATISTICAL SECTION **Page**

Financial Trends:

Net Position by Component **90**
Changes in Net Position ..... **91 and 92**
Fund Balances of Governmental Funds **93**
Changes in Fund Balances of Governmental Funds **94**

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property **95**
Property Tax Rates - Direct and Overlapping Governments **96**
Principal Property Taxpayers **97**
Property Tax Levies and Collections **98**

Debt Capacity:

Ratios of Outstanding Debt by Type **99**
Ratios of General Bonded Debt Outstanding **100**
Direct and Overlapping Governmental Activities Debt **101**
Legal Debt Margin Information **102**
Pledged Revenue Coverage **103**

Demographic and Economic Information:

Demographic and Economic Statistics **104**
Principal Employers **105**

Operating Information:

Full-Time Equivalent County Government Employees by Function **106**
Operating Indicators by Function **107**
Capital Asset Statistics by Function **108**

PAULDING COUNTY BOARD OF COMMISSIONERS

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

December 19, 2016

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2016, 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. The County has a land area of 314 square miles and a population of approximately 152,238.

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 Chairman is also 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, 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 4.8% represents a slight decrease from last year and is slightly lower than the rate of 5.5% 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 80.1% and 10.7% of the families living below the poverty level, compared to State averages of 64.2% and 17.0%, respectively.

The County's rapid residential growth slowed substantially in 2008. However, we are continuing 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 opening of the new WellStar Hospital, and completion of the film studio. In 2016 Paulding County began construction of the Richland Creek Reservoir. 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 sixth 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. A new SPLOST referendum was approved by the voters in July

2016 and will begin collections in April 2017. Since 1988, the County's voters have supported seven consecutive referendums for a special purpose local option sales tax (SPLOST) for the County, as well as, seven 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 2016, as a result of conservative spending policies and budget control measures. The unassigned fund balance of $41,927 represents 256 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 87% 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 $3,700 for landfill closure and post closure care costs as of June 30, 2016. 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, 2016, the County had a number of debt issues outstanding. These issues included $70,470 of general obligation bonds, and $29,180 of revenue bonds. The County maintains an Aa1 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 Aa3 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, 2016, the County's net general obligation bonded debt of $65,133 was well below the legal limit of $354,893. General obligation debt per capita equaled $428 (four hundred and twenty-eight dollars).

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

In the fall of 2008, the County opened a general aviation airport. The initial length of the runway is 5500 feet. In 2015 the Airport Authority restriped the runway to take advantage of the full 6,000 feet of runway that was constructed in 2008. In 2014, the airport completed a taxiway widening project bringing the width of all taxiways to 50 feet. 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 completed and ready and available for leasing. 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. Construction will be completed in 2017.

To address the future water supply needs, the County is currently in the final permitting stages of the Richland Creek Reservoir. The County completed the design phase in 2016 and is currently in the construction phase of this project. Construction should be complete and Paulding County will be supplying water in 2021.

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 2016 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.

In 2014, the County completed the construction phase for a major by-pass in the Hiram area. This project was primarily funded through a federal grant. The by-pass has relieved traffic congestion in the County's primary commercial district. In early 2017, the Bill Carruth Parkway widening to a four lane will be complete and together the Bill Carruth Parkway and East Hiram Bypass will provide a by pass to the Commercial district. The Seven Hills Parkway Extension was also completed in 2014. This project continues to relieve congestion in the Cedarcrest area where Paulding County experienced the greatest residential growth over the past 10 years. Each project is providing many travel alternatives.

In 2016, the County completed the design phase of Richland Creek Reservoir and entered into the construction phase of the Reservoir. The 404 permit was issued by the Corp of Engineers in October 2015. The project construction is expected to be complete in 2021. This reservoir will allow Paulding County to provide its own water to the citizens of Paulding County.

Paulding County Industrial Building Authority completed the construction phase and entered into the operational phase of the film industry in 2012. The filming of the studios first feature length film “42” was completed in 2012. Since that time the Atlanta Film Studio has provided a home for the filming of Warner Bros “Vacation”, “Fake Off”, as well as an AMC original TV series “Halt and Catch Fire”. 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 is located off of Bill Carruth Parkway.

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, 2015. This was the twentieth, 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

David A. Austin
County Chairman

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, 2015

Executive Director/CEO

PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2016

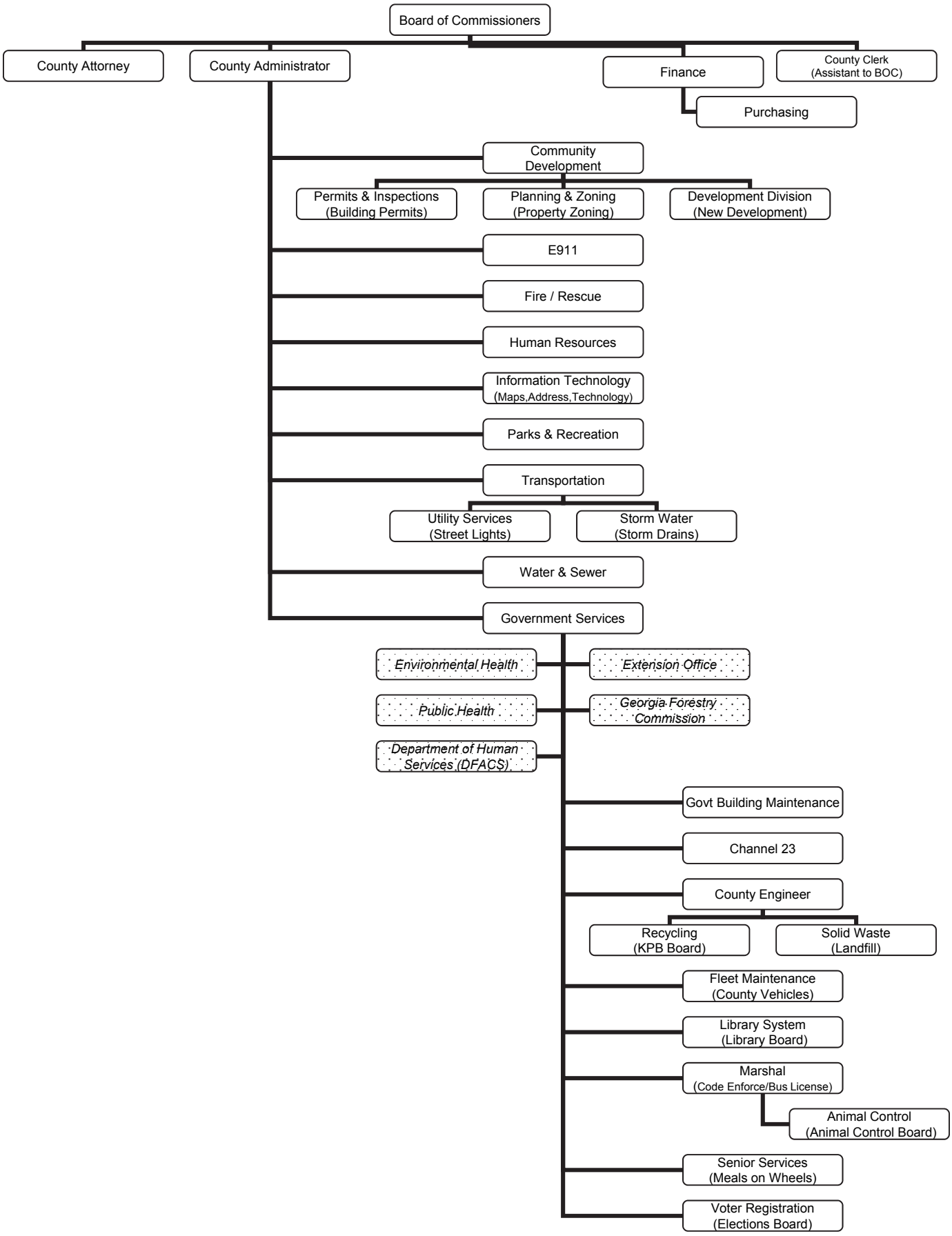
BOARD OF COMMISSIONERS

David Austin	Chairman
Ronald D. Davis	Post 1
Todd Pownall	Post 2
Vernon Collett	Post 3
Tony Crowe	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

Paulding County, Georgia
Organization Chart



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Paulding County, Georgia
Dallas, Georgia

Report on 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, 2016, and the related notes to the financial statements, which collectively comprise Paulding County, Georgia'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 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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 the 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 5 through 13), the budgetary comparison information for the General Fund (on pages 65 and 66), the budgetary comparison information for the Fire Tax Fund (on page 67), the schedule of changes in the County's net pension liability and related ratios (on page 68), and the schedule of County contributions (on page 69) 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 Paulding County, Georgia'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 48-8-121, 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 purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and 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 19, 2016, on our consideration of Paulding County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 19, 2016

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, 2016. 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 viii of this report.

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

Financial Highlights

- The assets and deferred outflows of resources of Paulding County exceeded its liabilities at June 30, 2016, by $607,020 (net position), an increase of $20,128 from the prior year. Of this amount, $55,174 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2016, Paulding County's governmental funds reported combined ending fund balances of $98,146, an increase of $8,230 from the prior year. Approximately $41,927 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 $41,927, or 70 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net decreased by $4,151 from the prior year and the total general obligation long-term debt at June 30, 2016 was $70,519, compared to a legal debt limit of $354,893.

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 are comprised of 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 14 and 15 of this report.

The Statement of Net Position presents information on all of Paulding County's assets, deferred outflows of resources, and liabilities, with the difference between them 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 14 and 15 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 fire tax, and the SPLOST IV 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, with the exception of capital projects funds for which project-length budgets are adopted. 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 16 through 19 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 84 through 86.

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 statement can be found on page 23.

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 24 through 64.

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 65 through 69 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, 2016, Paulding County's combined (government and business-type activities) assets and deferred outflows of resources exceeded liabilities by $607,020. A significant portion of the County's net position, 77 percent, is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less related outstanding debt that was used to acquire those assets. Because Paulding County uses these capital assets to provide services to its residents, these assets are not available for future spending. Although Paulding County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Paulding County's Net Position
June 30,

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 107,296	$ 101,317	$ 57,780	$ 50,406	$ 165,076	$ 151,723
Capital Assets	433,463	440,064	165,572	148,576	599,035	588,640
Total assets	540,759	541,381	223,352	198,982	764,111	740,363
Deferred outflows of resources	9,793	5,805	465	548	10,258	6,353
Long-term liabilities outstanding	100,479	103,646	54,526	43,251	155,005	146,897
Other liabilities	5,565	7,862	6,779	5,065	12,344	12,927
Total liabilities	106,044	111,508	61,305	48,316	167,349	159,824
Net position:						
Net investment in capital assets	353,602	352,136	115,440	109,802	469,042	461,938
Restricted	50,425	43,627	32,292	25,633	82,717	69,260
Unrestricted	40,481	39,915	14,780	15,779	55,261	55,694
Total net position	$ 444,508	$ 435,678	$ 162,512	$ 151,214	$ 607,020	$ 586,892

An additional portion of the County's net position for governmental activities, $50,425; and for business-type activities, $32,292, 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. $21,504 for business-type activities is restricted to water and sewer system improvements and $10,788 is restricted for debt service. The remaining balances of unrestricted net position, $40,481 for governmental activities, and $14,780 for business-type activities may be used to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2016, 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 4% increase from the prior year. Sales and other taxes increased by $1,537 or about 4% from last year. Approximately 26% of the County's total revenue from governmental activities came from sales tax and 44 % from property tax. Charges for goods and services provided about 10 % of governmental revenue.

The County's largest expense is for Public Safety at $35,794, or 37% of total governmental expenses. Public Safety expense increased due to increased personnel cost. The 2nd largest expense is for Public Works at $21,218, or 22% of total governmental expenses.

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

Revenues:	Governmental Activities 2016	Governmental Activities 2015	Business-type Activities 2016	Business-type Activities 2015	Total 2016	Total 2015
Program Revenues:						
Charges for services	$ 11,186	$ 10,877	$ 31,954	$ 29,725	$ 43,140	$ 40,602
Operating grants and contributions	423	361	-	-	423	361
Capital grants and contributions	9,267	10,841	6,420	3,955	15,687	14,796
General Revenues:						
Property taxes	47,132	45,148	-	-	47,132	45,148
Other taxes	39,144	37,607	-	-	39,144	37,607
Other	82	63	34	30	116	93
Total Revenues	107,234	104,897	38,408	33,710	145,642	138,607
Expenses:						
General government	17,913	13,468	-	-	17,913	13,468
Judicial	6,160	5,369	-	-	6,160	5,369
Public safety	35,794	34,911	-	-	35,794	34,911
Public works	21,218	16,862	-	-	21,218	16,862
Culture and recreation	4,211	4,120	-	-	4,211	4,120
Health and welfare	1,101	1,090	-	-	1,101	1,090
Housing and development	6,660	3,116	-	-	6,660	3,116
Intergovernmental	-	9,218	-	-	-	9,218
Interest on long-term debt	2,615	3,054	-	-	2,615	3,054
Water and sewer	-	-	28,390	26,611	28,390	26,611
Other programs	-	-	1,452	1,107	1,452	1,107
Total Expenses	95,672	91,208	29,842	27,718	125,514	118,926
Increase in net position before transfers	11,562	13,689	8,566	5,992	20,128	19,681
Transfers	(2,732)	(200)	2,732	200	-	-
Change in net position	8,830	13,489	11,298	6,192	20,128	19,681
Net position - beginning, before restatement	433,994	426,302	151,214	145,022	585,208	571,324
Restatement	1,684	(5,797)	-	-	1,684	(5,797)
Net position-beginning, after restatement	435,678	420,505	151,214	145,022	586,892	565,527
Net position ending	$ 444,508	$ 433,994	$ 162,512	$ 151,214	$ 607,020	$ 585,208

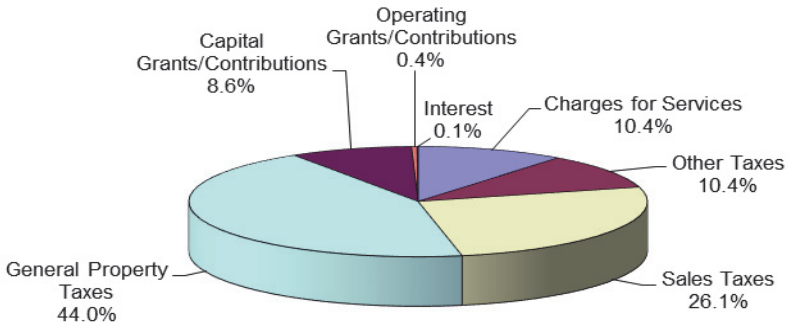
Governmental Activities Revenues

The County relies heavily on property taxes to support the governmental operations. Property taxes provided 44% of total revenues as compared to 43% in 2015. While the other tax collections increased by $1,537 which consists of a number of small taxes as well as larger revenue sources such as sales tax which had an increase of $395 as well as insurance premium tax which had an increase of $441 and intangible recording tax which increased in the amount of $334.

Charges for services increased by approximately 3%. This increase is primarily due to the increase of $349 in E911 fees. This increase is a result of an increase in wireless telephone users as well as the increase in E911 fees on prepaid phones. Operating grants increased due to additional funding to the court system from the State of GA.

Overall, Paulding County's economy is improving and can be seen in the revenue stream of the County. The tax digest is moving in a positive direction as well as the unemployment rate has declined again, and these factors impact the revenues of Paulding County government.

Revenues by Source for Governmental Activities



Governmental Activities Expenses

The following table presents the cost of each of the County's programs, including the net cost less revenues generated by the activities). The net cost illustrates the financial burden that was placed on the County's taxpayers by each function.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 17,913	18.7%	$ 15,094	20.2%
Judicial	6,160	6.4%	3,395	4.5%
Public Safety	35,794	37.4%	32,081	42.9%
Public Works	21,218	22.2%	11,414	15.3%
Culture and recreation	4,211	4.4%	955	1.3%
Health and Welfare	1,101	1.2%	3,596	4.8%
Housing and Development	6,660	7.0%	5,647	7.5%
Interest on LT Debt	2,615	2.7%	2,614	3.5%
Total	$ 95,672	100.0%	$ 74,796	100.0%

Business Type Activities

Business type activities consist of water and sewer system, solid waste as well as the rental of space to the State of Georgia to provide office space to the Department of Children's Services. The increase to charges and services is primarily due to the increase in water and sewer fees as well as the governmental funds transferred the construction in progress as well as the debt for the Reservoir to the Water and Sewer system from the governmental activities. The solid waste fund revenues increased by $369: however, the operating expenses for solid waste also increased by $306. The solid waste funds long term liabilties of $3,700 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 2016 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is $98,146. Of that amount, fund balances in the County's three major funds are $48,159 in the General Fund, $7,612 in the Fire Tax and $30,324 in SPLOST IV. Approximately 43 percent of total governmental fund balances, $41,927 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 2016 outstanding encumbrances $2,561, future landfill closure cost $1,425, $2,024 was obligated to the 2017 adopted budget, and $67 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 ($154) indicating that it is not available for new spending because it is restricted 1) to pay debt service ($5,126); and 2) for other restricted purposes ($11,142). The $33,540 fund balance in SPLOST III and IV will 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 $41,927, while total fund balance was $48,159. 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 70% of total General Fund expenditures, while total fund balance represents 81 % of that same amount.

The fund balance of the General Fund increased by $1,416. 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 $6,065 from the prior year.
- Property tax revenue increased by $2,100 as a result of a slight increase in residential property values as well as a slight decrease in the millage rate along with the imposition of the motor vehicle ad valorem tax, while the local option sales tax increased by $305.
- Charges for services increased by $370, as a result of a slight increase in residential development as well as an increase in recreation fees.

The fund balance of the Fire Tax Fund increased by $1,683. 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 $1,172. The fund balance of SPLOST IV has increased by $3,665. 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 $668.

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 2016 was $29,640 representing an increase of 7% from 2015. The County, along with other metro counties subsequently implemented a rate increase to offset the 7% increase in expenses. The cost of the County's water purchased increased 10% from 2015. This increase was due to an increase passed on to the County by the County's supplier Cobb County Marietta Water Authority.

General Fund Budgetary Highlights

The legal level of control (the level at which expenditures cannot legally exceed appropriations) is at the department level. The County's primary budgeted fund is the General Fund. The Board of Commissioners is required to adopt the County's budget at their first regular meeting each August. The General Fund Budget was amended during the year for an increase in appropriations of $4,090. The most notable expenditure amendments are as follows:

- Public Works increased by $2,909 due to additional maintenance and asphalt contracts issued. The cost of this expenditure was partly covered by the State of Georgia.
- General Government increased by $682 and Culture and Recreation increased by $246 due to several capital project improvements made to the facilities.
- Judicial increased by $241 primarily due to personnel changes between the County and State of GA and Public Safety increased by $10.

Property values increased again in 2016, the millage rate was decreased to balance the increase anticipated in property taxes. Taxes other than property taxes increased by 4% with a sales tax increase of $182. Total tax revenue increased by $961. At June 30, 2016, General Fund revenues exceeded estimates by $665, and expenditures were $749 less than budget. The General Funds balance increased by $1,416.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2016. Expenditures were evaluated throughout the year. Actual expenditures were less than budget in all functions except the general government. This overage was related to the pension expense being absorbed for the proprietary funds through the general government function.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to $599,035 (net of accumulated depreciation). 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 1.8 percent. Additional information on Paulding County's capital assets can be found in note 5 on pages 39 through 43 of this report.

Long-term debt: At June 30, 2016, Paulding County had a total of $100,732 in outstanding bonded debt. That amount represents $70,519 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and $30,213 in Water and Sewer Revenue Bonds. The County also had one installment purchase agreement with an outstanding balance of $191, three Georgia Environmental Finance Authority loans totaling $535, $2,599 and $13,069, and an intergovernmental payable of $17,500.

Paulding County maintains an "Aa1" rating from Moody's and an "AA" rating from Standard and Poor's on its General Obligation debt and an "Aa3" rating from Moody's and an "AA" rating from Standard and Poor's on its Revenue debt.

Additional information on the County's long-term debt can be found in note 7 on pages 46 through 55.

Economic Factors and Next year's Budgets and Rates

- The unemployment rate for Paulding County was down from last year, at 4.8%. This rate compared to the state's rate of 5.5%.
- For the tax year 2015, the County's total tax digest increased by $347,604 or 10%. Paulding County has reduced the millage rate to neutralize the tax increase.
- Paulding County's general purpose Local Option Sales Tax enabled the County to rollback its property tax rate by 3.51 mills for the 2015 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.

PAULDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
Cash and cash equivalents	$ 96,914,380	$ 17,749,432	$ 114,663,812	$ 898,017	$ 281,918	$ -
Intergovernmental receivables	1,719,175	-	1,719,175	179,901	-	-
Taxes receivable	2,848,752	-	2,848,752	-	-	-
Internal balances	1,823,278	(1,823,278)	-	-	-	-
Other receivables	798,973	7,966,674	8,765,647	1,012	47,396	-
Due from component units	3,031,280	-	3,031,280	-	790,355	-
Due from primary government	-	-	-	-	14,585,000	2,915,000
Inventory	-	439,118	439,118	30,529	-	-
Prepaids	154,717	-	154,717	-	25,912	250
Restricted cash and cash equivalents	-	32,027,167	32,027,167	-	240,000	559,455
Restricted investments	-	1,340,976	1,340,976	-	-	-
Land held for resale	-	-	-	-	3,867,970	-
Other assets	-	-	-	-	5,250	-
Lease receivable	-	-	-	-	8,640,000	-
Prepaid bond insurance	6,255	80,326	86,581	-	-	-
Capital assets, nondepreciable	75,236,456	21,996,554	97,233,010	-	288,554	4,848,223
Capital assets, depreciable, net of accumulated depreciation	358,226,052	143,575,547	501,801,599	10,325	3,998,266	3,243,318
Total assets	540,759,318	223,352,516	764,111,834	1,119,784	32,770,621	11,566,246
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	4,323,845	464,863	4,788,708	-	89,035	-
Pension plan contributions	990,355	-	990,355	167,007	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	63,053	-	-
Pension plan experience differences	1,087,465	-	1,087,465	-	-	-
Pension plan assumption changes	1,377,473	-	1,377,473	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,013,581	-	2,013,581	-	-	-
Total deferred outflows of resources	9,792,719	464,863	10,257,582	230,060	89,035	-
LIABILITIES						
Accounts payable	3,343,216	2,740,709	6,083,925	2,104	92,691	32,969
Accrued liabilities	2,221,830	104,168	2,325,998	-	87,092	31,127
Due to primary government	-	-	-	-	3,031,280	-
Intergovernmental payables	-	-	-	60,979	-	-
Construction contracts payable	-	155,572	155,572	-	-	-
Customer deposits payable	-	2,815,054	2,815,054	-	216,000	1,125
Unearned revenue	-	963,430	963,430	-	-	-
Noncurrent liabilities due within one year						
Intergovernmental payable - component units	1,085,000	440,000	1,525,000	-	-	-
Compensated absences payable	2,826,157	268,866	3,095,023	-	-	-
Note payable	-	467,952	467,952	-	-	-
Landfill closure and postclosure	-	549,735	549,735	-	-	-
Bonds payable	4,255,000	3,670,000	7,925,000	-	1,390,000	335,000
Noncurrent liabilities due in more than one year						
Intergovernmental payable - component units	12,580,000	3,395,000	15,975,000	-	-	790,355
Compensated absences payable	1,211,209	115,228	1,326,437	38,254	-	-
Note payable	-	15,926,214	15,926,214	-	-	-
Landfill closure and postclosure	-	3,150,587	3,150,587	-	-	-
Bonds payable	66,263,668	26,542,710	92,806,378	-	14,961,556	2,580,000
Due to Silver Comet Terminal Partnership	-	-	-	-	-	360,000
Net pension liability	12,257,752	-	12,257,752	1,202,414	-	-
Total liabilities	106,043,832	61,305,225	167,349,057	1,303,751	19,778,619	4,130,576
DEFERRED INFLOW OF RESOURCES						
Deferred gain on lease						
Pension plan experience differences	-	-	-	-	3,489,931	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	9,607	-	-
	-	-	-	86,756	-	-
Total deferred outflows of resources	-	-	-	96,363	3,489,931	-
NET POSITION						
Net investment in capital assets	353,602,685	115,439,516	469,042,201	10,325	4,207,681	7,630,743
Restricted for:						
Judicial services	766,646	-	766,646	-	-	-
Public safety services	10,733,484	-	10,733,484	-	-	-
Debt service	5,385,379	10,787,806	16,173,185	-	-	-
Capital projects	33,539,582	21,504,670	55,044,252	-	-	-
Unrestricted	40,480,429	14,780,162	55,260,591	(60,595)	5,383,425	(195,073)
Total net position	$ 444,508,205	$ 162,512,154	$ 607,020,359	$ (50,270)	$ 9,591,106	$ 7,435,670

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

PAULDING COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 17,912,892	$ 2,359,472	$ -	$ 459,120
Judicial	6,159,356	2,614,298	149,775	-
Public safety	35,793,907	3,521,329	133,325	58,407
Public works	21,218,229	1,256,622	9,549	8,538,523
Health and welfare	1,101,180	16,509	129,261	-
Culture and recreation	4,210,910	584,407	-	31,843
Housing and development	6,660,286	833,725	624	179,154
Interest on long-term debt	2,614,976	-	-	-
Total governmental activities	95,671,736	11,186,362	422,534	9,267,047
Business-type activities:				
Water and sewer	28,389,824	30,458,757	-	6,419,862
DFACS building	133,476	342,978	-	-
Solid waste	1,318,065	1,152,120	-	-
Total business-type activities	29,841,365	31,953,855	-	6,419,862
Total primary government	$ 125,513,101	$ 43,140,217	$ 422,534	$ 15,686,909
Component units:				
Board of Health	$ 1,553,715	$ 560,239	$ 837,841	$ -
Industrial Building Authority	1,131,920	519,927	-	7,572,165
Airport Authority	806,253	54,944	-	4,012,760
Total component units	$ 3,491,888	$ 1,135,110	$ 837,841	$ 11,584,925
General revenues:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Property taxes, levied for fire services				
Intangible recording taxes				
Local option sales taxes				
Special purpose local option sales taxes				
Insurance premium taxes				
Alcoholic beverage taxes				
Cable TV franchise taxes				
Real estate transfer taxes				
Business taxes				
Unrestricted investment earnings				
Other income				
Grants not restricted to specific programs				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority	
$ (15,094,300)	$ -	$ (15,094,300)	$ -	$ -	$ -	
(3,395,283)	-	(3,395,283)	-	-	-	
(32,080,846)	-	(32,080,846)	-	-	-	
(11,413,535)	-	(11,413,535)	-	-	-	
(955,410)	-	(955,410)	-	-	-	
(3,594,660)	-	(3,594,660)	-	-	-	
(5,646,783)	-	(5,646,783)	-	-	-	
(2,614,976)	-	(2,614,976)	-	-	-	
(74,795,793)	-	(74,795,793)	-	-	-	
-	8,488,795	8,488,795	-	-	-	
-	209,502	209,502	-	-	-	
-	(165,945)	(165,945)	-	-	-	
-	8,532,352	8,532,352	-	-	-	
$ (74,795,793)	$ 8,532,352	$ (66,263,441)	$ -	$ -	$ -	
$ -	$ -	$ -	$ (155,635)	$ -	$ -	
-	-	-	-	6,960,172	-	
-	-	-	-	-	3,261,451	
$ -	$ -	$ -	$ (155,635)	$ 6,960,172	$ 3,261,451	
$ 27,834,758	$ -	$ 27,834,758	$ -	$ -	$ -	
8,203,298	-	8,203,298	-	-	-	
11,093,884	-	11,093,884	-	-	-	
1,352,739	-	1,352,739	-	-	-	
12,905,919	-	12,905,919	-	-	-	
15,108,307	-	15,108,307	-	-	-	
6,663,849	-	6,663,849	-	-	-	
733,214	-	733,214	-	-	-	
1,553,825	-	1,553,825	-	-	-	
363,140	-	363,140	-	-	-	
462,836	-	462,836	-	-	-	
82,275	33,872	116,147	485	-	7,020	
-	-	-	-	-	22,490	
-	-	-	327,056	-	-	
(2,731,528)	2,731,528	-	-	-	-	
83,626,516	2,765,400	86,391,916	327,541	-	29,510	
8,830,723	11,297,752	20,128,475	171,906	6,960,172	3,290,961	
435,677,482	151,214,402	586,891,884	(222,176)	2,630,934	4,144,709	
$ 444,508,205	$ 162,512,154	$ 607,020,359	$ (50,270)	$ 9,591,106	$ 7,435,670	

PAULDING COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

ASSETS	General	Fire Tax	SPLOST IV	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 46,426,450	$ 8,801,689	$ 31,884,958	$ 9,801,283	$ 96,914,380
Receivables	428,628	-	-	370,345	798,973
Taxes receivable	913,013	369,375	1,298,234	268,130	2,848,752
Intergovernmental receivables	1,230,709	-	-	488,466	1,719,175
Due from other funds	5,499,896	-	897,273	2,930,228	9,327,397
Prepaid items	154,717	-	-	-	154,717
Total assets	$ 54,653,413	$ 9,171,064	$ 34,080,465	$ 13,858,452	$ 111,763,394
LIABILITIES, DEFERRED INFLOWS OF RESOUCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 738,574	$ 13,869	$ 2,380,767	$ 210,006	$ 3,343,216
Other accrued liabilities	1,261,821	-	-	-	1,261,821
Due to other funds	2,930,228	1,186,470	1,375,575	1,338,145	6,830,418
Advances from other funds	673,701	-	-	-	673,701
Total liabilities	5,604,324	1,200,339	3,756,342	1,548,151	12,109,156
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	890,069	358,480	-	259,540	1,508,089
Total deferred inflows of resources	890,069	358,480	-	259,540	1,508,089
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaids	154,717	-	-	-	154,717
Restricted:					
Judicial services	-	-	-	766,646	766,646
Public safety services	-	7,612,245	-	2,762,759	10,375,004
Capital projects	-	-	30,324,123	3,215,459	33,539,582
Debt service	-	-	-	5,125,839	5,125,839
Committed:					
Commissary purchases	-	-	-	180,058	180,058
Assigned:					
Use of reserves in subsequent budget	2,023,747	-	-	-	2,023,747
Infrastructure maintenance	728,976	-	-	-	728,976
Developer infrastructure projects	1,582,514	-	-	-	1,582,514
State agency facilities	79,810	-	-	-	79,810
Supplies	169,850	-	-	-	169,850
Library	67,246	-	-	-	67,246
Landfill cost of closure	1,425,000	-	-	-	1,425,000
Unassigned	41,927,160	-	-	-	41,927,160
Total fund balances	48,159,020	7,612,245	30,324,123	12,050,761	98,146,149
Total liabilities, deferred inflows of resources and fund balances	$ 54,653,413	$ 9,171,064	$ 34,080,465	$ 13,858,452	$ 111,763,394

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

PAULDING COUNTY, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 98,146,149
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	$ 593,482,399	
Less accumulated depreciation	(160,019,891)	433,462,508
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	$ 1,508,089	1,508,089
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	$ (70,470,000)	
Premium, net of amortization	(48,668)	
Prepaid bond insurance, net of amortization	6,255	
Unamortized deferred charge on refunding	4,323,845	
Accrued interest	(960,009)	
Intergovernmental payable	(13,665,000)	
Compensated absences payable	(4,037,366)	(84,850,943)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the funds.		
Net pension liability	$ (12,257,752)	
Pension plan contributions subsequent to the measurement date	990,355	
Pension plan experience differences	1,087,465	
Pension plan assumption changes	1,377,473	
Net difference between projected and actual pension plan investment earnings	2,013,581	(6,788,878)
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.		3,031,280
Total net position - governmental activities		$ 444,508,205

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

PAULDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	General	Fire Tax	SPLOST IV	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	$ 51,526,053	$ 11,392,377	$ 15,108,307	$ 8,430,498	$ 86,457,235
Licenses and permits	860,362	5,775	-	-	866,137
Intergovernmental	1,695,877	43,197	-	2,319,353	4,058,427
Fines and forfeitures	1,138,768	-	-	232,408	1,371,176
Charges for services	5,638,337	-	-	2,945,907	8,584,244
Interest income	66,409	10,375	68,183	10,538	155,505
Contributions	-	-	254,433	767,487	1,021,920
Miscellaneous	362,840	-	-	152,000	514,840
Total revenues	61,288,646	11,451,724	15,430,923	14,858,191	103,029,484
Expenditures:					
Current:					
General government	12,632,078	-	-	-	12,632,078
Judicial	5,812,199	-	-	310,742	6,122,941
Public safety	21,391,075	9,768,577	-	2,655,431	33,815,083
Public works	13,293,002	-	50,683	-	13,343,685
Health and welfare	1,046,380	-	-	-	1,046,380
Culture and recreation	3,451,854	-	-	-	3,451,854
Housing and development	2,051,360	-	-	-	2,051,360
Intergovernmental expenditures	-	-	1,939,884	-	1,939,884
Capital outlay	-	-	9,775,170	2,982,484	12,757,654
Debt service:					
Principal	-	-	-	5,130,000	5,130,000
Interest	-	-	-	2,314,268	2,314,268
Total expenditures	59,677,948	9,768,577	11,765,737	13,392,925	94,605,187
Excess of revenues over expenditures	1,610,698	1,683,147	3,665,186	1,465,266	8,424,297
Other financing sources (uses):					
Proceeds from sale of capital assets	5,540	-	-	-	5,540
Transfers out	(200,000)	-	-	-	(200,000)
Total other financing sources (uses)	(194,460)	-	-	-	(194,460)
Net change in fund balances	1,416,238	1,683,147	3,665,186	1,465,266	8,229,837
Fund balances, beginning of year, as restated	46,742,782	5,929,098	26,658,937	10,585,495	89,916,312
Fund balances, end of year	$ 48,159,020	$ 7,612,245	$ 30,324,123	$ 12,050,761	$ 98,146,149

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

PAULDING COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 8,229,837
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	$ 13,440,732	
Depreciation expense	(14,313,393)	(872,661)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Sale of capital assets	$ (569,364)	
Transfer of capital assets to proprietary activities	(9,545,087)	
Donated assets	4,385,969	(5,728,482)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(181,466)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments - bonds and intergovernmental payable	$ 5,130,000	
Issuance of intergovernmental payable	(3,240,000)	
Transfer of notes payable to proprietary activities	7,013,559	8,903,559
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of prepaid bond insurance	$ (9,586)	
Amortization of bond premium	76,508	
Amortization of deferred charges on refunding	(369,087)	
Change in compensated absences	(212,938)	
Change in accrued interest	1,457	
Pension expense	(1,242,375)	(1,756,021)
Debt payments are currently being made on behalf of a component unit. The funds paid out will be repaid to the County in future periods. These debt payments are expenditures in the governmental fund statements, but a receivable is recorded on the government wide statements.		235,957
Change in net position - governmental activities		$ 8,830,723

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

PAULDING COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

ASSETS	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
Current assets:			
Cash	$ 17,041,197	$ 708,235	$ 17,749,432
Receivables	7,916,156	50,518	7,966,674
Inventory	439,118	-	439,118
Restricted assets:			
Cash	32,027,167	-	32,027,167
Investments	1,340,976	-	1,340,976
Total current assets	58,764,614	758,753	59,523,367
Noncurrent assets:			
Advances to other funds	-	673,701	673,701
Prepaid bond insurance	80,326	-	80,326
Capital assets:			
Capital assets, not being depreciated	21,384,321	612,233	21,996,554
Capital assets, being depreciated	214,177,049	5,217,548	219,394,597
Less accumulated depreciation	(72,782,887)	(3,036,163)	(75,819,050)
Total capital assets, net of accumulated depreciation	162,778,483	2,793,618	165,572,101
Total noncurrent assets	162,858,809	3,467,319	166,326,128
Total assets	221,623,423	4,226,072	225,849,495
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	464,863	-	464,863
Total deferred outflows of resources	464,863	-	464,863
LIABILITIES			
Current liabilities:			
Accounts payable	2,690,867	49,842	2,740,709
Accrued expenses	103,483	685	104,168
Construction contracts payable	155,572	-	155,572
Customer deposits payable	2,815,054	-	2,815,054
Due to other funds	2,496,979	-	2,496,979
Due to Industrial Building Authority	440,000	-	440,000
Unearned revenue	963,430	-	963,430
Compensated absences, current	255,363	13,503	268,866
Notes payable, current	276,998	190,954	467,952
Landfill closure and postclosure, current	-	549,735	549,735
Revenue bonds payable, current	3,670,000	-	3,670,000
Total current liabilities	13,867,746	804,719	14,672,465
Long-term liabilities:			
Due to Industrial Building Authority	3,395,000	-	3,395,000
Compensated absences	109,441	5,787	115,228
Notes payable	15,926,214	-	15,926,214
Landfill closure and postclosure	-	3,150,587	3,150,587
Revenue bonds payable	26,542,710	-	26,542,710
Total long-term liabilities	45,973,365	3,156,374	49,129,739
Total liabilities	59,841,111	3,961,093	63,802,204
NET POSITION			
Net investment in capital assets	112,836,852	2,602,664	115,439,516
Restricted:			
Debt Service	10,787,806	-	10,787,806
Capital Projects	21,504,670	-	21,504,670
Unrestricted	17,117,847	(2,337,685)	14,780,162
Total net position	$ 162,247,175	$ 264,979	$ 162,512,154

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

PAULDING COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES			
Charges for services	$ 28,157,271	$ -	$ 28,157,271
Penalties	621,399	-	621,399
Miscellaneous revenues	861,205	1,369	862,574
Landfill and recycling fees	-	1,150,751	1,150,751
Lease income	-	342,978	342,978
Total operating revenues	29,639,875	1,495,098	31,134,973
OPERATING EXPENSES			
Salaries and benefits	3,930,578	259,780	4,190,358
Other operating expenses	5,699,037	1,071,290	6,770,327
Depreciation expense	5,633,749	106,611	5,740,360
Water purchases	11,943,815	-	11,943,815
Total operating expenses	27,207,179	1,437,681	28,644,860
Operating income	2,432,696	57,417	2,490,113
NONOPERATING REVENUE (EXPENSES)			
Line maintenance fees	815,978	-	815,978
Interest income	33,872	-	33,872
Rent	2,904	-	2,904
Interest expense	(1,182,645)	(13,860)	(1,196,505)
Total nonoperating revenues (expenses)	(329,891)	(13,860)	(343,751)
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	2,102,805	43,557	2,146,362
Capital contributions	8,951,390	-	8,951,390
Transfers in	-	200,000	200,000
Total capital contributions and transfers	8,951,390	200,000	9,151,390
Change in net position	11,054,195	243,557	11,297,752
NET POSITION, beginning of year	151,192,980	21,422	151,214,402
NET POSITION, end of year	$ 162,247,175	$ 264,979	$ 162,512,154

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

PAULDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 25,654,983	$ 1,487,660	$ 27,142,643
Payments to suppliers and service providers	(13,871,855)	(1,075,692)	(14,947,547)
Payments to employees	(3,936,263)	(249,453)	(4,185,716)
Net cash provided by operating activities	7,846,865	162,515	8,009,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(1,340,976)	-	(1,340,976)
Interest received	33,872	-	33,872
Net cash used in investing activities	(1,307,104)	-	(1,307,104)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(13,044,443)	(67,081)	(13,111,524)
Principal payments on notes	(228,850)	(198,313)	(427,163)
Principal payments on bonds	(3,570,000)	-	(3,570,000)
Principal payments on intergovernmental payables	(430,000)	-	(430,000)
Proceeds from notes payable	8,856,376	-	8,856,376
Interest and fiscal charges paid	(1,461,800)	(14,574)	(1,476,374)
Line maintenance fees received	815,978	-	815,978
Capital contributions received	6,419,863	-	6,419,863
Net cash used in capital and related financing activities	(2,642,876)	(279,968)	(2,922,844)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Rental income	2,904	-	2,904
Transfers in	-	200,000	200,000
Net cash provided by noncapital financing activities	2,904	200,000	202,904
Net increase in cash and cash equivalents	3,899,789	82,547	3,982,336
Cash and cash equivalents:			
Beginning of year	45,168,575	625,688	45,794,263
End of year	$ 49,068,364	$ 708,235	$ 49,776,599
Classified as:			
Cash	$ 17,041,197	$ 708,235	$ 17,749,432
Restricted cash	32,027,167	-	32,027,167
Total	$ 49,068,364	$ 708,235	$ 49,776,599
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 2,432,696	$ 57,417	$ 2,490,113
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	5,633,749	106,611	5,740,360
Increase in accounts receivable	(4,132,580)	(7,438)	(4,140,018)
Decrease in due from other funds	-	532,050	532,050
Increase in advances to other funds	-	(673,701)	(673,701)
Decrease in inventories	74,612	-	74,612
Increase in accounts payable	1,435,749	16,239	1,451,988
Increase in construction contracts payable	125,572	-	125,572
Increase in due to other funds	2,135,064	-	2,135,064
Increase in customer deposits payable	101,955	-	101,955
Increase in unearned revenue	45,733	-	45,733
Increase in post closure care costs	-	121,010	121,010
Increase (decrease) in compensated absences	(5,685)	10,327	4,642
Net cash provided by operating activities	$ 7,846,865	$ 162,515	$ 8,009,380
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of capital assets from governmental activities	$ 9,545,087	$ -	$ 9,545,087
Transfer of notes payable from governmental activities	(7,013,560)	-	(7,013,560)
Total noncash capital and related financing activities	$ 2,531,527	$ -	$ 2,531,527

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

PAULDING COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016

ASSETS	Agency Funds
Cash and cash equivalents	$ 4,038,962
Taxes receivable	2,045,794
Total assets	$ 6,084,756
LIABILITIES	
Due to others	$ 4,038,962
Uncollected taxes	2,045,794
Total liabilities	$ 6,084,756

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

NOTE 1. 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 (GAAP) as applied to government 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.

A. 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, 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.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The Paulding County Health Department (the "Health Department") serves the citizens of Paulding County and is governed by a board of appointed officials. The 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. The Health Department operates on a July 1 through June 30 fiscal year.

A copy of the Paulding County Health Department's financial statements may be obtained by writing to the following address: Georgia Department of Human Resources District 1 Unit 1, 1305 Redmond Road, Building 614, Rome, GA 30165-1391.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Paulding County Industrial Building Authority (the "Industrial Building Authority") serves the citizens of Paulding County and is governed by a board of appointed officials. The 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. The Industrial Building Authority issued bonds to provide capital for the construction of the Industrial Building Park and a sewer plant to accommodate the park. The 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 writing to the following address: Paulding County Chamber of Commerce, 730 Airport Parkway, Dallas, Georgia 30157.

The Paulding County Airport Authority (the "Airport Authority") serves the citizens of Paulding County and is governed by a board of appointed officials. The Paulding County Board of Commissioners appoints the officials to this board. Paulding County acts as the fiscal agent for the Airport Authority and provides personnel to oversee the construction and development of the airport. The 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 writing to the following address: Paulding County Airport Authority, 730 Airport Parkway, Dallas, GA 30157.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Intergovernmental revenues susceptible to accrual are considered available if they are collected within 9 months of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, alcoholic beverage taxes, licenses, sales taxes, franchise taxes, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County and are recognized as revenue at that time.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

The **G*eneral Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Fire Tax Fund*** accounts for the operations of the fire department as well as capital purchases. A tax levy is placed on all property within Paulding County. The tax levy is restricted to the operational and capital expenditures of the fire department.

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

The County reports the following major proprietary fund:

The ***Water and 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.

Additionally, the County reports the following fund types:

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

The ***capital projects funds*** account for the acquisition of capital assets for construction of major capital projects not being financed by proprietary funds.

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

The ***agency funds*** are custodial in nature and do 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 and fines and fees paid within the judicial system.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The remaining investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments (Continued)

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.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when acquired (purchase method) and are not inventoried at year end due to immateriality. Enterprise funds' inventories are valued at cost, which approximates market, and are expensed when used (consumption method).

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

G. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. 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 acquisition value. No depreciation is taken on the donated assets in the same year of contribution. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

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

Asset Category	Years
Buildings and improvements	30
Furniture and Fixtures	5-10
Equipment	5-10
Water distribution system	40
Sewer system	40
Infrastructure	40

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has several items that qualify for reporting in this category. One is the deferred charge on refunding which is reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the 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.

The other elements that qualify for reporting in this category pertain to the recording of changes in the County's net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The County reports a deferred outflow of resources for employer contributions made to the pension plan subsequent to the measurement date as these will be recognized as a reduction to the County's net pension liability in the year ended June 30, 2017. The County reports deferred outflows of resources for the net difference between projected and actual earnings on pension investments. This item will be amortized against pension expense over a five year period. The County also reports deferred outflows of resources for experience gains or losses and deferred outflows of resources for assumption changes which are amortized into pension expense over the expected remaining service lives of plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

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 only has one item that qualifies for reporting in this category. This item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. 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.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and any related premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities 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 purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action of the County Board of Commissioners by passage of a resolution and the commitment can only be removed by a resolution of the Board.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board of Commissioners has delegated, through resolution, the Finance Director or the County Administrator the authority to assign amounts to be used for specific purposes.

Unassigned – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. 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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

For the year ending June 30, 2016, the County has reported $978,636 of encumbrances as assignments of fund balance in the General Fund.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

L. Management Estimates

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

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Paulding County, Georgia Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the general, debt service, and special revenue funds on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Project-length budgets 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 follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Chairman submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least ten days in advance by publication in the official organ of the County.
3. The budget is then reviewed and adopted or amended by the Board of Commissioners at the first meeting in August of the year to which it applies.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget at the department level greater than $50,000 must be amended by formal action of the Board of Commissioners in a regular meeting. No increase can be made to increase budgeted expenditures without provision also being made for financing such an increase.
5. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The legal level of budgetary control is at the department level.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (Continued)

B. Deficit Fund Equity

The Solid Waste Fund has deficit fund equity of $2,256,448 at June 30, 2016. The deficit occurred due to the recognition of the landfill closure and post-closure care liability as described in Note 7. Annually, a contribution is made from the General Fund to reduce this deficit.

C. Excess Expenditures Over Appropriations

For the year ended June 30, 2016 expenditures exceeded the budget in the General Fund departments as follows:

General Fund:	
General government	
Government services	$ 162
General appropriations	745,582
Public safety	
General appropriations	2,149
Health and welfare	
General appropriations	3,125
Housing and development	
Community development	1,499

The excess of expenditures over budget that are noted above were primarily funded by greater than anticipated revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

A. Primary Government

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As a means of limiting its exposure to credit risk of investments the County limits its investments to those types noted previously 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.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2016, the County's cash accounts were insured and/or collateralized as defined by GASB Standards.

Categorization of investments. At June 30, 2016, the County had the following investments:

Short-term Investments	Maturity	Credit Rating	Fair Value
Fidelity Institutional Treasury MM	48 days weighted average	Aaa-mf	$ 1,340,976
Georgia Fund 1	42 days weighted average	AAAf	73,468,356

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Interest rate risk. 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%.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2016:

Investment	Level 1	Fair Value
Fidelity Treasury money market Mutual Fund	$ 1,340,976	$ 1,340,976
Total investments measured at fair value	$ 1,340,976	$ 1,340,976
Investments not subject to level disclosure:		
Georgia Fund 1		73,468,356
Total investments		$ 74,809,332

The Fidelity Treasury Money Market Mutual Fund classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for that investment.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 4. RECEIVABLES

A. Primary Government

Receivables at June 30, 2016, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Fire Tax Fund	SPLOST IV Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	$ 1,131,671	$ 473,211	$ 1,298,234	$ 343,744
Other governments	1,230,709	-	-	488,466
Accounts	428,628	-	-	370,345
Gross receivables	2,791,008	473,211	1,298,234	1,202,555
Less allowance for uncollectibles	(218,658)	(103,836)	-	(75,614)
Net receivables	$ 2,572,350	$ 369,375	$ 1,298,234	$ 1,126,941

	Water & Sewer Fund	Nonmajor Enterprise Funds
Receivables:		
Taxes	$ -	$ -
Other governments	-	-
Accounts	9,496,323	50,518
Gross receivables	9,496,323	50,518
Less allowance for uncollectibles	(1,580,167)	-
Net receivables	$ 7,916,156	$ 50,518

Property taxes for the 2016 fiscal year were levied on August 11, 2015, with property values assessed as of January 1, 2015. Bills are payable by the later of November 15, 2015 or sixty days from the date the property tax bills are mailed at which time the applicable property is subject to penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of December 15, 2015.

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 59,594,489	$ 7,353	$ (1,618,340)	$ -	$ 57,983,502
Construction in progress	23,326,083	10,644,610	(8,496,111)	(8,221,628)	17,252,954
Total capital assets, not being depreciated	82,920,572	10,651,963	(10,114,451)	(8,221,628)	75,236,456
Capital assets, being depreciated:					
Buildings and improvements	154,529,516	-	-	5,192,724	159,722,240
Equipment	46,870,600	2,788,769	(105,000)	-	49,554,369
Infrastructure	301,554,461	4,385,969	-	3,028,904	308,969,334
Total capital assets, being depreciated	502,954,577	7,174,738	(105,000)	8,221,628	518,245,943
Less accumulated depreciation for:					
Buildings and improvements	37,436,042	4,113,131	-	-	41,549,173
Equipment	34,561,542	2,674,643	(105,000)	-	37,131,185
Infrastructure	73,813,914	7,525,619	-	-	81,339,533
Total accumulated depreciation	145,811,498	14,313,393	(105,000)	-	160,019,891
Total capital assets, being depreciated, net	357,143,079	(7,138,655)	-	8,221,628	358,226,052
Governmental activities capital assets, net	$ 440,063,651	$ 3,513,308	$ (10,114,451)	$ -	$ 433,462,508

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 2,163,798	$ 1,618,340	$ -	$ -	$ 3,782,138
Construction in progress	642,723	17,957,187	-	(385,494)	18,214,416
Total capital assets, not being depreciated	2,806,521	19,575,527	-	(385,494)	21,996,554
Capital assets, being depreciated:					
Buildings and improvements	5,475,605	93,723	-	-	5,569,328
Equipment	5,831,028	542,933	(16,413)	-	6,357,548
Infrastructure	202,058,231	2,523,996	-	385,494	204,967,721
Intangible assets	2,500,000	-	-	-	2,500,000
Total capital assets, being depreciated	215,864,864	3,160,652	(16,413)	385,494	219,394,597
Less accumulated depreciation for:					
Buildings and improvements	2,266,749	153,647	-	-	2,420,396
Equipment	4,765,380	273,816	(16,413)	-	5,022,783
Infrastructure	62,862,974	5,262,897	-	-	68,125,871
Intangible assets	200,000	50,000	-	-	250,000
Total accumulated depreciation	70,095,103	5,740,360	(16,413)	-	75,819,050
Total capital assets, being depreciated, net	145,769,761	(2,579,708)	-	385,494	143,575,547
Business-type activities capital assets, net	$ 148,576,282	$ 16,995,819	$ -	$ -	$ 165,572,101

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:		
General government	$	2,767,097
Judicial		14,656
Public safety		1,863,212
Public works		7,868,290
Health and welfare		54,800
Culture and recreation		722,243
Housing and development		1,023,095
Total depreciation expense - governmental activities	$	14,313,393
Business-type activities:		
Water and Sewer Fund	$	5,633,749
Solid Waste Fund		28,749
DFACS Building Fund		77,862
Total depreciation expense - business-type activities	$	5,740,360

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NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Industrial Building Authority

	Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Industrial Building Authority:				
Capital assets, not being depreciated:				
Land	$ 753,731	$ -	$ (465,177)	$ 288,554
Construction in progress	2,278,284	-	(2,278,284)	-
Total capital assets, not being depreciated	3,032,015	-	(2,743,461)	288,554
Capital assets, being depreciated:				
Buildings	5,387,715	-	(5,186,988)	200,727
Infrastructure	1,634,682	2,356,251	-	3,990,933
Equipment and vehicles	124,575	321	(82,004)	42,892
Total capital assets, being depreciated	7,146,972	2,356,572	(5,268,992)	4,234,552
Less accumulated depreciation for:				
Buildings	430,023	134,693	(534,182)	30,534
Infrastructure	97,813	84,914	-	182,727
Equipment and vehicles	55,860	15,978	(48,813)	23,025
Total accumulated depreciation	583,696	235,585	(582,995)	236,286
Total capital assets, being depreciated, net	6,563,276	2,120,987	(4,685,997)	3,998,266
Industrial Building Authority capital assets, net	$ 9,595,291	$ 2,120,987	$ (7,429,458)	$ 4,286,820

On June 21, 2016, the Authority entered into a lease purchase agreement with AFS/Atlanta Film Studio, LLC for film studio assets with a net book value of $5,150,069. The purchase price under the agreement is $8,640,000 with monthly rental payments of $40,000 due over the term of the lease which is July 1, 2016 through June 30, 2034. The lease is being accounted for using the installment method and as such, an unrecognized gain on the transaction of $3,489,931 is reflected in the accompanying financial statements. A security deposit required under the agreement totaled $240,000.

NOTE 5. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Airport Authority

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Airport Authority:				
Capital assets, not being depreciated:				
Land	$ 4,848,223	$ -	$ -	$ 4,848,223
Construction in progress	3,194,127	-	(3,194,127)	-
Total capital assets, not being depreciated	8,042,350	-	(3,194,127)	4,848,223
Capital assets, being depreciated:				
Infrastructure	144,182	3,194,127	-	3,338,309
Equipment and vehicles	5,186	1,250	-	6,436
Software	-	1,185	-	1,185
Total capital assets, being depreciated	149,368	3,196,562	-	3,345,930
Less accumulated depreciation for:				
Infrastructure	16,894	83,458	-	100,352
Equipment and vehicles	1,211	752	-	1,963
Software	-	297	-	297
Total accumulated depreciation	18,105	84,507	-	102,612
Total capital assets, being depreciated, net	131,263	3,112,055	-	3,243,318
Airport Authority capital assets, net	$ 8,173,613	$ 3,112,055	$ (3,194,127)	$ 8,091,541

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General fund	SPLOST IV fund	$ 1,375,575
General fund	Fire tax fund	1,186,470
General fund	Water sewer fund	2,496,979
General fund	Nonmajor governmental funds	440,872
		$ 5,499,896
SPLOST IV	Nonmajor governmental funds	$ 897,273
Nonmajor governmental funds	General fund	$ 2,930,228

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. The interfund balance between the SPLOST IV fund and Nonmajor governmental funds results from expenditures incurred by the SPLOST IV fund that is allowable under the SPLOST III and SPLOST IV fund and will be reimbursed by the SPLOST III fund. Interfund balances are expected to be repaid within one year.

Advances to/from other funds:

Receivable fund	Payable fund	Amount
Nonmajor enterprise funds	General Fund	$ 673,701

The amounts payable to the Solid Waste Fund relate to the time lag between the date payment between funds are made. This is the amount of collections in the General Fund for Solid Waste for which payment has not been made.

Due to/from component units:

Receivable fund	Payable fund	Amount
Governmental activities	Industrial Building Authority	$ 3,031,280

The balance between the governmental activities and the Paulding County Industrial Building Authority resulted from the County paying the principal and interest on the Paulding County Industrial Building Authority, Series 2012A Revenue Bonds. The bonds were originally issued to purchase land for an industrial park. The County is expected to be reimbursed by the Industrial Building Authority in the future.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

Interfund transfers for the year ended June 30, 2016, were as follows:

Transfers In	Transfers Out	Amount
Nonmajor enterprise funds	General fund	$ 200,000

Transfers are used to move funds from the General Fund to the Solid Waste Fund to adequately meet the expenses of the Solid Waste Fund.

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NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 74,545,000	$ -	$ (4,075,000)	$ 70,470,000	$ 4,255,000
Plus: Premiums	125,176	-	(76,508)	48,668	-
Total bonds payable	74,670,176	-	(4,151,508)	70,518,668	4,255,000
GEFA notes payable	7,013,559	-	(7,013,559)	-	-
Intergovernmental payable	11,480,000	3,240,000	(1,055,000)	13,665,000	1,085,000
Net pension liability	6,658,572	6,816,447	(1,217,267)	12,257,752	-
Compensated absences	3,824,428	2,988,044	(2,775,106)	4,037,366	2,826,157
Governmental activities long-term liabilities	$ 103,646,735	$ 13,044,491	$ (16,212,440)	$ 100,478,786	$ 8,166,157
Business-type Activities:					
Bonds payable	$ 32,750,000	$ -	$ (3,570,000)	$ 29,180,000	$ 3,670,000
Plus: Premiums	1,326,056	-	(293,346)	1,032,710	-
Total bonds payable	34,076,056	-	(3,863,346)	30,212,710	3,670,000
Notes payable	951,393	15,869,936	(427,163)	16,394,166	467,952
Intergovernmental payable	4,265,000	-	(430,000)	3,835,000	440,000
Landfill closure/ postclosure costs	3,579,312	121,010	-	3,700,322	549,735
Compensated absences	379,452	205,153	(200,511)	384,094	268,866
Business-type activities long-term liabilities	$ 43,251,213	$ 16,196,099	$ (4,921,020)	$ 54,526,292	$ 5,396,553

For governmental activities, compensated absences and the net pension liability are being liquidated primarily by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer and Solid Waste funds.

General Obligation Bonds. During fiscal year 2007, the County issued $14,885,000 of Series 2007A general obligation bonds. The 2007A Bonds were issued for the purpose of providing funds to finance the costs of acquiring land to conserve open space. They bear interest at 4.0% and are payable on February 1 and August 1 of each year. The 2007A bonds mature on August 1, 2022.

During fiscal year 2007, the County issued $65,000,000 of Series 2007B general obligation bonds. The 2007B bonds were issued to finance costs of constructing the courthouse and administration building. The bonds, which bear interest at rates from 4.0% to 5.0% are payable on February 1 and August 1 of each year. The 2007B bonds mature on February 1, 2032.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

During fiscal year 2014, the County issued $41,030,000 of Series 2013 general obligation bonds. The 2013 bonds were issued to refund $35,575,000 of the $58,230,000 in aggregate principal amount of the Series 2007B Bonds maturing February 1, 2018 through 2028. The bonds, which bear interest at a rate of 2.45%, mature February 1, 2028.

During fiscal year 2015, the County issued $27,775,000 of Series 2015 general obligation bonds. The 2015 bonds were issued to refund $25,345,000 of the $30,760,000 in aggregate principal amount of the Series 2007 general obligation bonds maturing August 1, 2017 through 2022 and February 1, 2029 through 2032. The bonds bear interest rates of 1.777% and 2.601%. The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of $1,553,723. This difference is reported in the accompanying financial statements as a deferred outflow of resources, and is being charged to operations through year 2032 using the straight-line method. The current outstanding amount of debt considered legally defeased equals $25,345,000 as of June 30, 2016.

The County's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 4,255,000	$ 1,765,200	$ 6,020,200
2018	4,445,000	1,590,554	6,035,554
2019	4,545,000	1,489,409	6,034,409
2020	4,655,000	1,385,853	6,040,853
2021	4,745,000	1,279,982	6,024,982
2022-2026	21,355,000	4,832,711	26,187,711
2027-2031	21,715,000	2,336,409	24,051,409
2032	4,755,000	123,678	4,878,678
Total	$ 70,470,000	$ 14,803,796	$ 85,273,796

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Intergovernmental payable – Industrial Building Authority. The County has entered into an intergovernmental agreement with the Industrial Building Authority to pay the Paulding County Industrial Building Authority Revenue Bond Series 2013. The Series 2013 Revenue Bonds were issued in the amount of $4,590,000. The bonds, which bear interest at a rate of 2.25% are payable on February 1 and August 1 of each year. The Revenue Bonds Series 2013 mature on February 1, 2024.

The County has also entered into an intergovernmental agreement with the Industrial Building Authority to pay the Paulding County Industrial Building Authority Revenue Bond Series 2011 A&B issued to construct the Airport Technology Park Water Tank, Fire Protection, a Hangar and a Film Studio, which has served as a non-exchange financial guarantee. For the fiscal year ended June 30, 2015 and in years prior to the year ended June 30, 2015, the County has not and did not expect to make the debt service payments for the IBA; however, in years subsequent to the year ended June 30, 2015, the County plans to make the debt service payments on behalf of the IBA and expects to until the maturity of these bonds. The Series 2011A and Series 2011B Revenue Bonds were issued in the amount of $1,100,000 and $6,800,000, respectively. The Series 2011A and Series 2011B bonds, which bear interest at rates from 2.0% to 4.8% and 1.6% to 6.1%, respectively, are payable on August 1 and February 1 of each year. The Revenue Bonds Series 2011A and Series 2011B mature on August 1, 2031.

The County has also entered into an intergovernmental agreement with the Airport Authority to pay the Paulding Northwest Atlanta Airport Project, Series 2014 in the amount of $3,600,000, to fund the cost of acquiring, constructing, extending and improving the landing field at the Paulding Northwest Atlanta Airport, which has served as a non-exchange financial guarantee. For the fiscal year ended June 30, 2015 and in years prior to the year ended June 30, 2015, the County did not expect to make the debt service payments for the Airport Authority; however, in the fiscal year ended June 30, 2016, the County made the debt service payments on behalf of the Airport Authority and expects to until the maturity of these bonds. The Series 2014 Revenue Bonds were issued in the amount of $3,600,000. The Series 2014 bonds, which bear interest at a rate of 2.35%, are payable on August 1 and February 1 of each year. The Revenue Bonds Series 2014 bonds mature on February 1, 2024.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements to maturity on the intergovernmental payable are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 1,085,000	$ 497,486	$ 1,582,486
2018	1,110,000	470,154	1,580,154
2019	1,135,000	440,921	1,575,921
2020	1,170,000	409,762	1,579,762
2021	1,205,000	376,342	1,581,342
2022-2026	4,685,000	1,337,741	6,022,741
2027-2031	2,650,000	594,433	3,244,433
2032	625,000	18,550	643,550
Total	$ 13,665,000	$ 4,145,389	$ 17,810,389

Revenue Bonds. Series 2009 Water and Sewer Revenue Bonds – In February 2009, the County Water and Sewer Fund issued $15,740,000 in revenue bonds to provide financing for water and sewer infrastructure. The County's obligations are payable solely from the net revenues of the Water and Sewer System. The bonds bear interest at rates from 2.0% to 5.0%, and will mature December 1, 2022.

Series 2009A Water and Sewer Revenue Bonds – In November 2009, the County Water and Sewer Fund issued $17,755,000 in revenue bonds to refund the 1999 Water and Sewer Revenue Bonds. The County's obligations are payable solely from the net revenues of the Water and Sewer System. The bonds bear interest at rates from 2.0% to 5.0%, and will mature December 1, 2021.

Series 2012 Water and Sewer Revenue Bonds – In April 2012, the County Water and Sewer Fund issued $7,445,000 in revenue bonds to partially refund the 2004 Water and Sewer Revenue Bonds. The County's obligations are payable solely from the net revenues of the Water and Sewer System. The bonds bear interest at rates from 2.0% to 4.0%, and will mature December 1, 2021.

The County has pledged 100% of future water customer revenues, net of specified operating expenses, to repay the water system revenue bonds noted above.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's debt service requirements to maturity on the revenue bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 3,670,000	$ 1,145,294	$ 4,815,294
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
2022-2023	9,400,000	448,250	9,848,250
Total	$ 29,180,000	$ 4,764,654	$ 33,944,654

Notes Payable. In December 2001, the County entered into an agreement with the Association County Commissioners of Georgia ("ACCG") to finance offices for the Department of Family and Children Services located on land in Paulding County. The agreement was originally executed for $2,523,500, with an interest rate of 3.9%. The agreement is paid each month through June 3, 2017.

In January 2010, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of water reuse lines. The agreement was originally executed for $660,000, with an interest rate of 3.0%. The agreement is paid each month beginning September 1, 2011 through August 1, 2031.

In fiscal year 2013, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the engineering and mitigation cost of the Reservoir project. The agreement was originally executed for $2,860,000, with an interest rate of 3.13%. The agreement is paid each month beginning September 1, 2015 through August 1, 2025.

Also in fiscal year 2013, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the engineering and mitigation cost of the Reservoir project. As of June 30, 2016, the loan has a balance of $13,069,336 and is still in the draw down phase, therefore, a future payment schedule has not been established. During the construction phase interest is being paid monthly at 1.0% of the outstanding amount. Following the construction phase this note will become permanent with an interest rate of 3.13% and payable over a ten year period. During fiscal year 2016 the Capital Projects Fund transferred the Richland Creek Reservoir assets and associated Georgia Environmental Finance Authority note payable to the Water & Sewer Fund as the Water & Sewer Fund will be paying the debt service and maintaining the asset.

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 467,952	$ 97,761	$ 565,713
2018	285,756	84,703	370,459
2019	294,790	75,668	370,458
2020	304,110	66,348	370,458
2021	313,726	56,733	370,459
2022-2026	1,448,510	131,670	1,580,180
2027-2031	202,692	16,929	219,621
2032	7,294	27	7,321
Total	$ 3,324,830	$ 529,839	$ 3,854,669

Intergovernmental payable – Industrial Building Authority. The County has entered into an intergovernmental agreement with the Industrial Building Authority to pay the Paulding County Industrial Building Authority Revenue Bond Series 2003 B&C issued to construct a sewer treatment plant which was refunded by the Series 2012B Bonds. The Series 2012B Revenue Bonds were issued in the amount of $5,090,000. The bonds, which bear interest at rates from 1.0% to 3.0% are payable on June 1 and December 1 of each year. The Revenue Bonds Series 2012B mature on December 1, 2023.

The County's debt service requirements to maturity on the intergovernmental payable are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 440,000	$ 92,100	$ 532,100
2018	450,000	83,200	533,200
2019	450,000	71,950	521,950
2020	475,000	58,075	533,075
2021	490,000	43,600	533,600
2022-2024	1,530,000	50,425	1,580,425
Total	$ 3,835,000	$ 399,350	$ 4,234,350

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill post-closure costs. 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 $3,700,322. 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 (95%). The estimated total current cost of the landfill closure and post-closure care (approximately $3,911,545) 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, 2016. 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. The County plans to cap a portion of the landfill in the subsequent fiscal year. As of June 30, 2016 it is estimated that the remaining life of the landfill is eight years.

B. Discretely Presented Component Unit – Industrial Building Authority

The following is a summary of long-term debt activity for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 17,590,000	$ -	$ (1,360,000)	$ 16,230,000	$ 1,390,000
Plus: Premiums	166,265	-	(33,509)	132,756	-
Less: Discounts	(12,808)	-	1,608	(11,200)	-
Total bonds payable	$ 17,743,457	$ -	$ (1,391,901)	$ 16,351,556	$ 1,390,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Industrial Building Authority (Continued)

Revenue Bonds. 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 the 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 purpose of construction of a Hangar 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 and to capitalized interest cost during the construction period. The Series 2011A bonds will be serviced through an annual payment from the Authority, commencing on August 1, 2013 of $40,000 to $80,000 through August 1, 2031 at an interest rate of 2.0% to 4.8%. As of June 30, 2016, the outstanding principal amount is $970,000. The Series 2011B bonds will be serviced through an annual payment from the Authority, commencing on August 1, 2027 of $430,000 to $545,000 through August 1, 2031 at an interest rate of 1.6% to 6.1%. As of June 30, 2016, the outstanding principal amount is $6,030,000.

Paulding County, Georgia 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 amount to enable the Authority to pay the principal and interest on the 2011A and 2011B Revenue Bonds as they mature.

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 2003C Tax-Exempt Revenue bonds. The bond premium on the issue is being amortized. The Series 2012A bonds will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of $180,000 to $220,000 through December 1, 2023 at an interest rate of 1.0% to 3.0%. As of June 30, 2016, the outstanding principal amount is $1,645,000. The Series 2012B bonds will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of $405,000 to $520,000 through December 1, 2023 at an interest rate of 2.0% to 2.125%. As of June 30, 2016, the outstanding principal amount is $3,835,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Industrial Building Authority (Continued)

Paulding County, Georgia 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.

The Series 2013 bonds were issued to provide funds to finance the cost of certain road projects of the County. Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated October 1, 2013, 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. The Series 2013 bonds will be serviced through an annual payment from the Authority, commencing on February 1, 2015 of $415,000 to $505,000 through February 1, 2024 at an interest rate of 2.25%. As of June 30, 2016, the outstanding principal amount is $3,750,000.

The Industrial Building Authority's debt service requirements to maturity on the revenue bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 1,390,000	$ 555,041	$ 1,945,041
2018	1,415,000	524,282	1,939,282
2019	1,435,000	488,756	1,923,756
2020	1,485,000	448,197	1,933,197
2021	1,530,000	404,456	1,934,456
2022-2026	5,700,000	1,361,618	7,061,618
2027-2031	2,650,000	594,433	3,244,433
2032	625,000	18,550	643,550
Total	$ 16,230,000	$ 4,395,333	$ 20,625,333

C. Discretely Presented Component Unit – Airport Authority

The following is a summary of long-term debt activity for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	$ 3,240,000	$ -	$ (325,000)	$ 2,915,000	$ 335,000
Total bonds payable	$ 3,240,000	$ -	$ (325,000)	$ 2,915,000	$ 335,000

NOTE 7. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Airport Authority (Continued)

Revenue Bonds. On July 30, 2014 Paulding County Airport Authority issued Paulding Northwest Atlanta Airport Project, Series 2014 Revenue Bonds in the amount of $3,600,000, to fund the cost of acquiring, constructing, extending and improving the landing field at the Paulding Northwest Atlanta Airport.

Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated July 1, 2014, 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.

The Airport Authority's debt service requirements to maturity on the bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2017	$ 335,000	$ 68,503	$ 403,503
2018	345,000	60,603	405,603
2019	350,000	52,523	402,523
2020	360,000	44,298	404,298
2021	370,000	35,838	405,838
2022-2024	1,155,000	54,753	1,209,753
Total	$ 2,915,000	$ 316,518	$ 3,231,518

On October 7, 2013, the Authority entered into an agreement with Silver Comet Terminal Partners, LLC (the "Company"), whereby the Company will pay the Authority annual amounts equal to the bonded indebtedness discussed above. To the extent the Authority receives any reimbursement from a grant for the costs associated with the project funded by the debt issuance, the Authority will repay the Company any amounts associated with the principal portion of the payments made by the Company under the agreement, reduce the remaining principal outstanding, and repay the interest paid by the Company. If the grant reimbursement is insufficient to repay interest paid to date, the Authority will not be responsible for repaying the interest portion of the payments made by the Company. The Authority anticipates a reimbursement from a grant for the project costs but does not expect this reimbursement to occur within the next fiscal year. The total debt service requirements on the bonds is $4,035,220 (Principal: $3,600,000, Interest: $435,220). A liability of $360,000 to the Company for the principal payment made during fiscal year ending June 30, 2015 has been reflected in the accompanying financial statements. During the fiscal year ending June 30, 2016, the Company ceased making payments to the Authority to cover the debt service requirements.

NOTE 8. DEFINED BENEFIT PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Paulding County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to the Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan membership. As of January 1, 2015, pension plan membership consisted of the following:

Retireees, Beneficiaries and Disables receiving benefits	163
Terminated plan participants entitled to but not yet receiving benefits	327
Active employees participating in the Plan	580
Total number of Plan participants	1,070

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2016, the County's contribution rate was 8.8% of annual payroll. County contributions to the Plan were $2,142,433 for the year ended June 30, 2016.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2015.

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.5% - 5.5%, including inflation
Investment rate of return	7.50 %, net of pension plan investment expense, including inflation

Mortality rates for were based on the RP-2000 Combined Healthy Mortality Table.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for through December 31, 2014.

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.78%
Large Cap equity	30%	9.77
International equity	15%	7.48
Other equity	20%	9.23
Real estate	5%	10.63
Total	100%	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/15	$ 37,125,071	$ 30,466,499	$ 6,658,572
Changes for the year:			
Service cost	912,802	-	912,802
Interest	2,854,196	-	2,854,196
Differences between expected and actual differences	1,274,958	-	1,274,958
Assumption changes	1,614,968	-	1,614,968
Contributions—employer	-	1,152,078	(1,152,078)
Net investment income	-	65,189	(65,189)
Benefit payments, including refunds of employee contributions	(1,359,894)	(1,359,894)	-
Administrative expense	-	(104,931)	104,931
Other changes	-	(54,592)	54,592
Net changes	5,297,030	(302,150)	5,599,180
Balances at 6/30/16	$ 42,422,101	$ 30,164,349	$ 12,257,752

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	$ 19,265,918	$ 12,257,752	$ 6,554,174

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2015 and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2016, the County recognized pension expense of $2,495,822. At June 30, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Plan contributions made subsequent to the measurement period	$ 990,355
Differences between expected and actual experience	1,087,465
Assumption changes	1,377,473
Net difference between projected and actual earnings on pension plan investments	2,013,581
Total	$ 5,468,874

County contributions subsequent to the measurement date of $990,355 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	$ 942,326
2018	942,326
2019	942,326
2020	886,555
2021	424,988
2022	339,998
Total	$ 4,478,519

NOTE 9. 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 employee's 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 plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

The County has made the following contributions to the plan:

Year ending June 30,	County Contributions	Employee Contributions	Total Contributions
2015	$ 324,337	$ 846,622	$ 1,170,959
2016	363,994	923,470	1,287,464

NOTE 10. RISK MANAGEMENT

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

The County participates in the Association of County Commissioners of Georgia (ACCG) Workers' Compensation Self Insurance Fund and the Interlocal Risk Management Agency (IRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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 11. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at June 30, 2016, the County has contractual commitments on uncompleted contracts of approximately $28,158,422 consisting of Recreation contracts, $9,521,688, Public Safety contracts, $2,331,028, Water Reservoir contracts, $12,239,482 and Department of Transportation contracts, $4,066,224.

Litigation

The County is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of County operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 12. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Northwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2016, the County paid $132,653 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia.

The Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from:

Northwest Georgia Regional Commission
P.O. Box 1798
Rome, GA 30162-1798

NOTE 13. RESTATEMENT

A. Primary Government

The County has determined that the accounting treatment related to certain developer contributions which were being accounted for in the General Fund as unearned revenue and are being used to fund the future design and construction of various infrastructure projects assumed from various developers should be reported as revenue when received. The County believes that this reporting treatment is more appropriate based on the circumstances of the transactions. This change results in a restatement of beginning fund balance of the General Fund and beginning net position of Governmental Activities as follows:

Fund Balance, as previously reported	$	45,058,903
To adjust unearned revenue from the prior year		1,683,879
Fund Balance, as restated	$	46,742,782

The prior period adjustments had the following effect on net position in Governmental Activities:

Net position, as previously reported	$	433,993,603
To adjust unearned revenue from the prior year		1,683,879
Net position, as restated	$	435,677,482

B. Discretely Presented Component Unit – Airport Authority

The financial statements for the fiscal year ended June 30, 2015 have been restated to properly reflect the net book value of certain capital assets and to properly reflect the categorization of net position after consideration of all capital related loans. The prior period adjustments had the following effect on net position in the Airport Authority:

Net position, as previously reported	$	4,093,408
To adjust capital assets from the prior year		51,301
Net position, as restated	$	4,144,709

NOTE 14. SUBSEQUENT EVENT

On September 13, 2016, Paulding County issued Water and Sewerage Revenue Improvement and Refunding Bonds, Series 2016 in the amount of $158,360,000. Proceeds from the bonds will used to advance refund the County's outstanding Water and Sewerage Revenue Bonds, Series 2009 and a portion of the Series 2009A and to provide funds to pay or be applied toward the cost of acquiring and constructing additions, extensions, and improvements to the System including acquiring land for, and constructing and equipping, the new Richland Creek Reservoir in the County. The bonds will be payable solely from the net revenues derived from the operation of the Water and Sewerage system.

REQUIRED SUPPLEMENTARY INFORMATION

PAULDING COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 50,123,000	$ 51,277,345	$ 51,526,053	$ 248,708
Licenses and permits	700,000	800,000	860,362	60,362
Intergovernmental	268,900	1,600,000	1,695,877	95,877
Fines and forfeitures	1,020,000	1,000,000	1,138,768	138,768
Charges for services	5,166,500	5,517,000	5,638,337	121,337
Interest income	15,000	50,000	66,409	16,409
Contributions and donations	-	50,000	-	(50,000)
Miscellaneous	274,000	329,000	362,840	33,840
Total revenues	57,567,400	60,623,345	61,288,646	665,301
Expenditures:				
Current:				
General government:				
Legislative	609,300	665,500	665,240	260
Executive	14,100	14,100	14,016	84
Government services	-	-	162	(162)
Public information	108,915	108,915	99,439	9,476
Elections	644,000	644,000	591,360	52,640
Finance	493,100	494,000	493,971	29
Information technology	1,197,875	1,500,500	1,500,455	45
Human resources	329,900	329,900	299,781	30,119
Government facilities	1,373,300	2,477,200	2,477,163	37
Tax assessors	1,502,900	1,502,900	1,401,066	101,834
Tax commissioners	1,139,100	1,139,100	1,131,268	7,832
General appropriations	3,993,500	3,212,575	3,958,157	(745,582)
Total general government	11,405,990	12,088,690	12,632,078	(543,388)
Judicial:				
Superior court	775,800	775,800	747,567	28,233
Clerk superior court	1,118,050	1,118,050	1,065,306	52,744
Probate court	759,000	782,700	782,604	96
Magistrate court	457,500	457,499	439,851	17,648
District attorney	1,342,700	1,503,501	1,503,501	-
Juvenile court	550,800	550,800	496,938	53,862
Public defender	720,400	776,500	776,432	68
Total judicial	5,724,250	5,964,850	5,812,199	152,651
Public safety:				
Coroner	97,800	97,800	83,480	14,320
Sheriff	14,405,900	14,405,900	14,198,770	207,130
Jail	6,191,200	6,191,200	5,613,306	577,894
Marshal	808,200	808,200	786,896	21,304
Animal control	734,480	734,480	653,674	80,806
General appropriations	43,000	52,800	54,949	(2,149)
Total public safety	22,280,580	22,290,380	21,391,075	899,305
Public works:				
Roads and bridges	8,720,865	11,630,000	11,629,974	26
Utility coordinator	1,000,000	1,000,000	914,413	85,587
Maintenance shop	661,000	661,000	628,135	32,865
Recycling	141,550	141,550	120,480	21,070
Total public works	10,523,415	13,432,550	13,293,002	139,548

(Continued)

PAULDING COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Health and welfare:				
Mental health grant	$ 50,000	$ 50,000	$ 50,000	$ -
General health grant	326,000	326,000	326,000	-
General welfare grant	25,000	25,000	22,239	2,761
Senior citizens center	293,300	293,300	283,523	9,777
Senior citizens van	123,800	123,800	97,663	26,137
Bus service	235,450	235,450	202,330	33,120
General appropriations	88,000	61,500	64,625	(3,125)
Total health and welfare	1,141,550	1,115,050	1,046,380	68,670
Culture and recreation:				
Library	1,046,800	1,251,500	1,247,951	3,549
Recreation	2,153,100	2,196,100	2,196,066	34
General appropriations	10,000	8,000	7,837	163
Total culture and recreation	3,209,900	3,455,600	3,451,854	3,746
Housing and development:				
County extension service	72,900	72,900	62,608	10,292
Community development	1,222,000	1,241,700	1,243,199	(1,499)
General appropriations	757,000	765,625	745,553	20,072
Total housing and development	2,051,900	2,080,225	2,051,360	28,865
Total expenditures	56,337,585	60,427,345	59,677,948	749,397
Excess of revenues over expenditures	1,229,815	196,000	1,610,698	1,414,698
Other financing sources (uses):				
Proceeds from sale of assets	10,000	4,000	5,540	1,540
Transfers out	(2,853,650)	(200,000)	(200,000)	-
Total other financing sources (uses)	(2,843,650)	(196,000)	(194,460)	1,540
Net change in fund balances	(1,613,835)	-	1,416,238	1,416,238
Fund balances, beginning of year, as restated	46,742,782	46,742,782	46,742,782	-
Fund balances, end of year	$ 45,128,947	$ 46,742,782	$ 48,159,020	$ 1,416,238

PAULDING COUNTY, GEORGIA
FIRE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 11,360,000	$ 11,360,000	$ 11,392,377	$ 32,377
Licenses and permits	5,000	5,000	5,775	775
Intergovernmental revenue	-	43,000	43,197	197
Investment income	8,000	8,000	10,375	2,375
Total revenues	11,373,000	11,416,000	11,451,724	35,724
Expenditures:				
Current:				
Public safety	10,218,000	10,261,000	9,768,577	492,423
Total expenditures	10,218,000	10,261,000	9,768,577	492,423
Net changes in fund balances	1,155,000	1,155,000	1,683,147	528,147
Fund balances, beginning of year	5,929,098	5,929,098	5,929,098	-
Fund balances, end of year	$ 7,084,098	$ 7,084,098	$ 7,612,245	$ 528,147

PAULDING COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2016

	2015	2016
Total pension liability		
Service cost	$ 935,935	$ 912,802
Interest on total pension liability	2,565,038	2,854,196
Assumption change	-	1,614,968
Benefit payments, including refunds of employee contributions	(1,152,809)	(1,359,894)
Experience (Gain)/Loss	-	1,274,958
Net change in total pension liability	2,348,164	5,297,030
Total pension liability - beginning	34,776,907	37,125,071
Total pension liability - ending (a)	$ 37,125,071	$ 42,422,101
Plan fiduciary net position		
Contributions - employer	1,198,002	1,152,078
Net investment income	1,897,270	65,189
Benefit payments, including refunds of employee contributions	(1,152,809)	(1,359,894)
Administrative expenses	(99,561)	(104,931)
Other	(2,493)	(54,592)
Net change in plan fiduciary net position	1,840,409	(302,150)
Plan fiduciary net position - beginning	28,626,090	30,466,499
Plan fiduciary net position - ending (b)	$ 30,466,499	$ 30,164,349
County's net pension liability - ending (a) - (b)	$ 6,658,572	$ 12,257,752
Plan fiduciary net position as a percentage of the total pension liability	82.1%	71.1%
Covered-employee payroll	$ 24,261,213	$ 24,283,073
County's net pension liability as a percentage of covered employee payroll	27.4%	50.5%

Notes to the Schedule

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

PAULDING COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015	2014
Actuarially determined contribution	$ 1,152,078	$ 1,198,002	$ 1,505,262
Contributions in relation to the actuarially determined contribution	2,142,433	2,086,988	2,271,702
Contribution deficiency (excess)	$ (990,355)	$ (888,986)	$ (766,440)
Covered-employee payroll	24,272,143	24,058,931	23,562,608
Contributions as a percentage of Covered-employee payroll	8.8%	8.7%	9.6%

Notes to the Schedule

Valuation Date	January 1, 2015
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed
Assumed Rate of Return On Investments	7.50%
Projected Salary Increases	2.50% - 5.00% (including 3.00% for inflation)
Cost-of-living Adjustment	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Victims-Witness Assistance Fund - to account for five percent additional fee placed on fines and used for victim witness services.

Emergency 911 Fund - to account for the fee collection and the operation of the Emergency 911 system within the County.

Jail Fund - to account for a portion of fine money received from the court system and expended on outside services within the juvenile court system.

Supplemental Juvenile Fund - to account for a portion of fines within the juvenile court and expended on outside services within the juvenile court system.

Drug Use Treatment Fund - to account for a portion of fine money received from the court system and expended on drug treatment or education.

Clerk's Technology Fund - to account 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.

Law Library Fund - to account for the operation and maintenance of the County's law library.

Sheriff Commissary Fund - to account for the receipts and purchases inmates incur while they are incarcerated.

Drug Confiscation Fund - to account for the resources public safety officers confiscate during a drug charge and expended in the fight against drugs.

Capital Projects Funds

SPLOST III Fund - to account for financial resources which are used exclusively for roads, public safety, and recreation.

Capital Projects Fund - accounts for the acquisition of capital assets for construction of major capital projects not being financed by proprietary funds or SPLOST funds.

Debt Service Fund

Debt Service Fund - to account for the servicing of general long-term debt not being financed by proprietary funds.

PAULDING COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds					
ASSETS	**Victims-Witness Assitance Fund**	**Emergency 911 Fund**	**Jail Fund**	**Supplemental Juvenile Fund**	**Drug Use Treatment Fund**	**Clerk's Technology Fund**
Cash and cash equivalents	$ 69,160	$ 1,520,465	$ 657,771	$ 149,338	$ 254,330	$ 629,474
Receivables	-	370,296	49	-	-	-
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	$ 69,160	$ 1,890,761	$ 657,820	$ 149,338	$ 254,330	$ 629,474
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 12,802	$ -	$ -	$ -	$ -
Due to other funds	-	256,283	-	-	-	-
Total liabilities	-	269,085	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted:						
Debt service	-	-	-	-	-	-
Judicial services	69,160	-	-	-	-	629,474
Public safety services	-	1,621,676	657,820	149,338	254,330	-
Capital projects	-	-	-	-	-	-
Committed:						
Commissary purchases	-	-	-	-	-	-
Total fund balances	69,160	1,621,676	657,820	149,338	254,330	629,474
Total liabilities, deferred inflows of resources and fund balances	$ 69,160	$ 1,890,761	$ 657,820	$ 149,338	$ 254,330	$ 629,474

Special Revenue Funds			Capital Projects Funds			
Law Library Fund	Sheriff Commissary Fund	Drug Confiscation Fund	SPLOST III Fund	Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ 68,012	$ 180,058	$ 79,595	$ 1,714,773	$ 138,460	$ 4,339,847	$ 9,801,283
-	-	-	-	-	-	370,345
-	-	-	-	-	268,130	268,130
-	-	-	-	488,466	-	488,466
-	-	-	-	2,151,076	779,152	2,930,228
$ 68,012	$ 180,058	$ 79,595	$ 1,714,773	$ 2,778,002	$ 5,387,129	$ 13,858,452
$ -	$ -	$ -	$ 33,183	$ 162,271	$ 1,750	$ 210,006
-	-	-	1,081,862	-	-	1,338,145
-	-	-	1,115,045	162,271	1,750	1,548,151
-	-	-	-	-	259,540	259,540
-	-	-	-	-	259,540	259,540
-	-	-	-	-	5,125,839	5,125,839
68,012	-	-	-	-	-	766,646
-	-	79,595	-	-	-	2,762,759
-	-	-	599,728	2,615,731	-	3,215,459
-	180,058	-	-	-	-	180,058
68,012	180,058	79,595	599,728	2,615,731	5,125,839	12,050,761
$ 68,012	$ 180,058	$ 79,595	$ 1,714,773	$ 2,778,002	$ 5,387,129	$ 13,858,452

PAULDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Victims-Witness Assitance Fund	Emergency 911 Fund	Jail Fund	Supplemental Juvenile Fund	Drug Use Treatment Fund	Clerk's Technology Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	86,549	-	108,529	18,305	-	-
Charges for services	-	2,516,236	-	-	80,116	128,266
Intergovernmental	-	-	-	-	-	-
Investment income	-	745	409	74	112	305
Contributions and donations	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	86,549	2,516,981	108,938	18,379	80,228	128,571
Expenditures:						
Current:						
Judicial	173,951	-	-	-	-	83,777
Public safety	-	2,098,613	237,933	14,481	24,421	-
Capital outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Total expenditures	173,951	2,098,613	237,933	14,481	24,421	83,777
Net change in fund balances	(87,402)	418,368	(128,995)	3,898	55,807	44,794
Fund balances, beginning of year	156,562	1,203,308	786,815	145,440	198,523	584,680
Fund balances, end of year	$ 69,160	$ 1,621,676	$ 657,820	$ 149,338	$ 254,330	$ 629,474

Special Revenue Funds			Capital Projects Funds			
Law Library Fund	Sheriff Commissary Fund	Drug Confiscation Fund	SPLOST III Fund	Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 8,430,498	$ 8,430,498
-	-	19,025	-	-	-	232,408
42,876	178,413	-	-	-	-	2,945,907
-	-	-	-	2,319,353	-	2,319,353
-	-	-	5,049	1,951	1,893	10,538
-	-	-	-	-	767,487	767,487
-	-	-	-	152,000	-	152,000
42,876	178,413	19,025	5,049	2,473,304	9,199,878	14,858,191
53,014	-	-	-	-	-	310,742
-	195,833	84,150	-	-	-	2,655,431
-	-	-	1,177,367	1,805,117	-	2,982,484
-	-	-	-	-	5,130,000	5,130,000
-	-	-	-	-	2,314,268	2,314,268
53,014	195,833	84,150	1,177,367	1,805,117	7,444,268	13,392,925
(10,138)	(17,420)	(65,125)	(1,172,318)	668,187	1,755,610	1,465,266
78,150	197,478	144,720	1,772,046	1,947,544	3,370,229	10,585,495
$ 68,012	$ 180,058	$ 79,595	$ 599,728	$ 2,615,731	$ 5,125,839	$ 12,050,761

PAULDING COUNTY, GEORGIA
VICTIMS-WITNESS ASSISTANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 120,000	$ 80,000	$ 86,549	$ 6,549
Total revenues	120,000	80,000	86,549	6,549
Expenditures:				
Current:				
Judicial	120,000	175,000	173,951	1,049
Total expenditures	120,000	175,000	173,951	1,049
Net changes in fund balances	-	(95,000)	(87,402)	7,598
Fund balances, beginning of year	156,562	156,562	156,562	-
Fund balances, end of year	$ 156,562	$ 61,562	$ 69,160	$ 7,598

PAULDING COUNTY, GEORGIA
EMERGENCY 911 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 2,200,000	$ 2,300,000	$ 2,516,236	$ 216,236
Interest income	-	500	745	245
Total revenues	2,200,000	2,300,500	2,516,981	216,481
Expenditures:				
Current:				
Public safety	2,544,600	2,300,500	2,098,613	201,887
Total expenditures	2,544,600	2,300,500	2,098,613	201,887
Net changes in fund balances	(344,600)	-	418,368	418,368
Fund balances, beginning of year	1,203,308	1,203,308	1,203,308	-
Fund balances, end of year	$ 858,708	$ 1,203,308	$ 1,621,676	$ 418,368

PAULDING COUNTY, GEORGIA
JAIL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 100,000	$ 108,529	$ 8,529
Investment income	-	-	409	409
Total revenues	250,000	100,000	108,938	8,938
Expenditures:				
Current:				
Public safety	250,000	250,000	237,933	12,067
Total expenditures	250,000	250,000	237,933	12,067
Net changes in fund balances	-	(150,000)	(128,995)	21,005
Fund balances, beginning of year	786,815	786,815	786,815	-
Fund balances, end of year	$ 786,815	$ 636,815	$ 657,820	$ 21,005

PAULDING COUNTY, GEORGIA
SUPPLEMENTAL JUVENILE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 25,000	$ 15,000	$ 18,305	$ 3,305
Investment income	-	-	74	74
Total revenues	25,000	15,000	18,379	3,379
Expenditures:				
Current:				
Public safety	25,000	15,000	14,481	519
Total expenditures	25,000	15,000	14,481	519
Net changes in fund balances	-	-	3,898	3,898
Fund balances, beginning of year	145,440	145,440	145,440	-
Fund balances, end of year	$ 145,440	$ 145,440	$ 149,338	$ 3,898

PAULDING COUNTY, GEORGIA
DRUG USE TREATMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 50,000	$ 75,000	$ 80,116	$ 5,116
Interest income	-	-	112	112
Total revenues	50,000	75,000	80,228	5,228
Expenditures:				
Current:				
Public safety	50,000	75,000	24,421	50,579
Total expenditures	50,000	75,000	24,421	50,579
Net changes in fund balances	-	-	55,807	55,807
Fund balances, beginning of year	198,523	198,523	198,523	-
Fund balances, end of year	$ 198,523	$ 198,523	$ 254,330	$ 55,807

PAULDING COUNTY, GEORGIA
CLERK'S TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 100,000	$ 100,000	$ 128,266	$ 28,266
Interest income	-	-	305	305
Total revenues	100,000	100,000	128,571	28,571
Expenditures:				
Current:				
Judicial	100,000	100,000	83,777	16,223
Total expenditures	100,000	100,000	83,777	16,223
Net changes in fund balances	-	-	44,794	44,794
Fund balances, beginning of year	584,680	584,680	584,680	-
Fund balances, end of year	$ 584,680	$ 584,680	$ 629,474	$ 44,794

PAULDING COUNTY, GEORGIA
LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 90,000	$ 40,000	$ 42,876	$ 2,876
Total revenues	90,000	40,000	42,876	2,876
Expenditures:				
Current:				
Judicial	90,000	55,000	53,014	1,986
Total expenditures	90,000	55,000	53,014	1,986
Net changes in fund balances	-	(15,000)	(10,138)	4,862
Fund balances, beginning of year	78,150	78,150	78,150	-
Fund balances, end of year	$ 78,150	$ 63,150	$ 68,012	$ 4,862

PAULDING COUNTY, GEORGIA
SHERIFF COMMISSARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 175,000	$ 175,000	$ 178,413	$ 3,413
Total revenues	175,000	175,000	178,413	3,413
Expenditures:				
Current:				
Public safety	175,000	200,000	195,833	4,167
Total expenditures	175,000	200,000	195,833	4,167
Net changes in fund balances	-	(25,000)	(17,420)	7,580
Fund balances, beginning of year	197,478	197,478	197,478	-
Fund balances, end of year	$ 197,478	$ 172,478	$ 180,058	$ 7,580

PAULDING COUNTY, GEORGIA
DRUG CONFISCATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 100,000	$ 19,025	$ (80,975)
Total revenues	250,000	100,000	19,025	(80,975)
Expenditures:				
Current:				
Public safety	250,000	175,000	84,150	90,850
Total expenditures	250,000	175,000	84,150	90,850
Net changes in fund balances	-	(75,000)	(65,125)	9,875
Fund balances, beginning of year	144,720	144,720	144,720	-
Fund balances, end of year	$ 144,720	$ 69,720	$ 79,595	$ 9,875

PAULDING COUNTY, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 7,265,000	$ 7,500,000	$ 8,430,498	$ 930,498
Investment income	-	-	1,893	1,893
Contributions	-	-	767,487	767,487
Total revenues	7,265,000	7,500,000	9,199,878	1,699,878
Expenditures:				
Debt service:				
Principal	4,865,000	4,865,000	5,130,000	(265,000)
Interest and fees	2,400,000	2,635,000	2,314,268	320,732
Total expenditures	7,265,000	7,500,000	7,444,268	55,732
Net changes in fund balances	-	-	1,755,610	1,755,610
Fund balances, beginning of year	3,370,229	3,370,229	3,370,229	-
Fund balances, end of year	$ 3,370,229	$ 3,370,229	$ 5,125,839	$ 1,755,610

PAULDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST III					
Roads, streets and bridges	$ 40,500,000	$ 38,374,964	$ 38,374,964	$ -	$ 38,374,964
Public safety and fire protection facilities and equipment	12,150,000	11,869,075	11,869,075	-	11,869,075
Recreation	28,350,000	27,442,616	25,665,521	1,177,367	26,842,888
Payments to City of Dallas	5,580,000	4,204,080	4,204,080	-	4,204,080
Payments to City of Hiram	3,420,000	2,576,694	2,576,694	-	2,576,694
Total SPLOST III expenditures	$ 90,000,000	$ 84,467,429	$ 82,690,334	$ 1,177,367	$ 83,867,701
Non-SPLOST expenditures*					
Roads, streets and bridges			$ 8,260,841	$ -	
Public safety and fire protection facilities and equipment			21,000	-	
Recreation			142,702	-	
Total non-SPLOST expenditures			8,424,543	-	
Total Project expenditures			$ 91,114,877	$ 1,177,367	

*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	-
West Metro Soccer	2,025	-
	$ 8,424,543	$ -

PAULDING COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST IV					
Roads, streets and bridges	$ 47,528,348	$ 47,528,348	$ 17,233,458	$ 6,172,798	$ 23,406,256
Public safety and fire protection facilities and equipment	17,554,024	17,554,024	8,939,087	3,155,623	12,094,710
Recreation	16,560,400	16,560,400	595,048	242,999	838,047
Economic Development: Fiber Optic Communications	1,159,228	1,159,228	74,989	-	74,989
Payments to City of Dallas	6,840,000	6,840,000	4,402,078	1,087,785	5,489,863
Payments to City of Hiram	5,358,000	5,358,000	3,448,295	852,099	4,300,394
Total 2013 SPLOST	$ 95,000,000	$ 95,000,000	$ 34,692,955	$ 11,511,304	$ 46,204,259
Non-SPLOST expenditures*					
Roads, streets and bridges			$ 348,575	$ 254,433	
Public safety and fire protection facilities and equipment			376,419	-	
Recreation			-	-	
Total non-SPLOST expenditures			724,994	254,433	
Total Project expenditures			$ 35,417,949	$ 11,765,737	

*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	$ 307,255	$ -
Georgia Emergency Management Agency	176,000	-
Developers	41,320	254,433
City of Dallas	56,994	-
City of Hiram	64,639	-
West Metro	590	-
Paulding County Board of Education	78,196	-
	$ 724,994	$ 254,433

ENTERPRISE FUNDS

Enterprise funds are used to account for external activities that are usually self-sustaining, primarily through user charges for services rendered.

Solid Waste Fund- to account for the operation of the County's landfill.

DFACS Building Fund - to account for activity related to the lease of the DFACS building.

PAULDING COUNTY, GEORGIA

COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Solid Waste Fund	DFACS Building Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash	$ -	$ 708,235	$ 708,235
Receivables	50,518	-	50,518
Total current assets	50,518	708,235	758,753
Noncurrent assets:			
Advances to other funds	673,701	-	673,701
Capital assets:			
Capital assets, not being depreciated	612,233	-	612,233
Capital assets, being depreciated	2,103,053	3,114,495	5,217,548
Less accumulated depreciation	(1,926,629)	(1,109,534)	(3,036,163)
Total capital assets, net of accumulated depreciation	788,657	2,004,961	2,793,618
Total noncurrent assets	1,462,358	2,004,961	3,467,319
Total assets	1,512,876	2,713,196	4,226,072
LIABILITIES			
Current liabilities:			
Accounts payable	49,712	130	49,842
Accrued expenses	-	685	685
Compensated absences, current	13,503	-	13,503
Notes payable, current	-	190,954	190,954
Post closure care cost, current	549,735	-	549,735
Total current liabilities	612,950	191,769	804,719
Long-term liabilities:			
Compensated absences	5,787	-	5,787
Post closure care cost	3,150,587	-	3,150,587
Total long-term liabilities	3,156,374	-	3,156,374
Total liabilities	3,769,324	191,769	3,961,093
NET POSITION			
Net investment in capital assets	788,657	1,814,007	2,602,664
Unrestricted	(3,045,105)	707,420	(2,337,685)
Total net position	$ (2,256,448)	$ 2,521,427	$ 264,979

PAULDING COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Solid Waste Fund	DFACS Building Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Miscellaneous revenues	$ 1,369	$ -	$ 1,369
Landfill and recycling fees	1,150,751	-	1,150,751
Lease income	-	342,978	342,978
Total operating revenues	1,152,120	342,978	1,495,098
OPERATING EXPENSES			
Salaries and benefits	259,780	-	259,780
Other operating expenses	1,029,536	41,754	1,071,290
Depreciation expense	28,749	77,862	106,611
Total operating expenses	1,318,065	119,616	1,437,681
Operating income (loss)	(165,945)	223,362	57,417
NONOPERATING EXPENSES			
Interest expense	-	(13,860)	(13,860)
Total nonoperating expenses	-	(13,860)	(13,860)
INCOME (LOSS) BEFORE TRANSFERS	(165,945)	209,502	43,557
Transfers in	200,000	-	200,000
Total transfers	200,000	-	200,000
Change in net position	34,055	209,502	243,557
NET POSITION, beginning of year	(2,290,503)	2,311,925	21,422
NET POSITION, end of year	$ (2,256,448)	$ 2,521,427	$ 264,979

PAULDING COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Solid Waste Fund	DFACS Building Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 1,144,682	$ 342,978	$ 1,487,660
Payments to suppliers and service providers	(1,028,148)	(47,544)	(1,075,692)
Payments to employees	(249,453)	-	(249,453)
Net cash provided by (used in) operating activities	(132,919)	295,434	162,515
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(67,081)	-	(67,081)
Principal payments on notes	-	(198,313)	(198,313)
Interest and fiscal charges paid	-	(14,574)	(14,574)
Net cash used in capital and related financing activities	(67,081)	(212,887)	(279,968)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	200,000	-	200,000
Net cash provided by noncapital financing activities	200,000	-	200,000
Net increase in cash and cash equivalents	-	82,547	82,547
Cash and cash equivalents:			
Beginning of year	-	625,688	625,688
End of year	$ -	$ 708,235	$ 708,235
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ (165,945)	$ 223,362	$ 57,417
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	28,749	77,862	106,611
Increase in accounts receivable	(7,438)	-	(7,438)
Decrease in due from other funds	532,050	-	532,050
Increase in advances to other funds	(673,701)	-	(673,701)
Increase (decrease) in accounts payable	22,029	(5,790)	16,239
Increase in post closure care costs	121,010	-	121,010
Increase in compensated absences	10,327	-	10,327
Net cash provided by (used in) operating activities	$ (132,919)	$ 295,434	$ 162,515

AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Tax Commissioner - to account for the collection of all property taxes which are disbursed to other taxing units.

Sheriff - to account for collection of cash bonds, fines, forfeitures and other fees which are disbursed to other parties.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Court Administration

PAULDING COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Court Administration	Total
Cash	$ 1,932,124	$ 72,630	$ 1,861,546	$ 155,942	$ 16,720	$ 4,038,962
Taxes receivable	2,045,794	-	-	-	-	2,045,794
Total assets	$ 3,977,918	$ 72,630	$ 1,861,546	$ 155,942	$ 16,720	$ 6,084,756
LIABILITIES						
Due to others	$ 1,932,124	$ 72,630	$ 1,861,546	$ 155,942	$ 16,720	$ 4,038,962
Uncollected taxes	2,045,794	-	-	-	-	2,045,794
Total liabilities	$ 3,977,918	$ 72,630	$ 1,861,546	$ 155,942	$ 16,720	$ 6,084,756

PAULDING COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Tax Commissioner				
ASSETS				
Cash	$ 1,647,076	$ 132,984,910	$ (132,699,862)	$ 1,932,124
Taxes receivable	2,167,534	97,636,780	(97,758,520)	2,045,794
Total assets	$ 3,814,610	$ 230,621,690	$ (230,458,382)	$ 3,977,918
LIABILITIES				
Due to others	$ 1,647,076	$ 132,984,910	$ (132,699,862)	$ 1,932,124
Uncollected taxes	2,167,534	97,636,780	(97,758,520)	2,045,794
Total liabilities	$ 3,814,610	$ 230,621,690	$ (230,458,382)	$ 3,977,918
Sheriff				
ASSETS				
Cash	$ 58,858	$ 861,083	$ (847,311)	$ 72,630
Total assets	$ 58,858	$ 861,083	$ (847,311)	$ 72,630
LIABILITIES				
Due to others	$ 58,858	$ 861,083	$ (847,311)	$ 72,630
Total liabilities	$ 58,858	$ 861,083	$ (847,311)	$ 72,630
Clerk of Superior Court				
ASSETS				
Cash	$ 1,318,310	$ 7,094,903	$ (6,551,667)	$ 1,861,546
Total assets	$ 1,318,310	$ 7,094,903	$ (6,551,667)	$ 1,861,546
LIABILITIES				
Due to others	$ 1,318,310	$ 7,094,903	$ (6,551,667)	$ 1,861,546
Total liabilities	$ 1,318,310	$ 7,094,903	$ (6,551,667)	$ 1,861,546

(Continued)

PAULDING COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Probate Court				
ASSETS				
Cash	$ 123,514	$ 2,125,932	$ (2,093,504)	$ 155,942
Total assets	$ 123,514	$ 2,125,932	$ (2,093,504)	$ 155,942
LIABILITIES				
Due to others	$ 123,514	$ 2,125,932	$ (2,093,504)	$ 155,942
Total liabilities	$ 123,514	$ 2,125,932	$ (2,093,504)	$ 155,942
Court Administration				
ASSETS				
Cash	$ 22,181	$ 700,037	$ (705,498)	$ 16,720
Total assets	$ 22,181	$ 700,037	$ (705,498)	$ 16,720
LIABILITIES				
Due to others	$ 22,181	$ 700,037	$ (705,498)	$ 16,720
Total liabilities	$ 22,181	$ 700,037	$ (705,498)	$ 16,720
Total Agency Funds				
ASSETS				
Cash	$ 3,169,939	$ 143,766,865	$ (142,897,842)	$ 4,038,962
Taxes receivable	2,167,534	97,636,780	(97,758,520)	2,045,794
Total assets	$ 5,337,473	$ 241,403,645	$ (240,656,362)	$ 6,084,756
LIABILITIES				
Due to others	$ 3,169,939	$ 143,766,865	$ (142,897,842)	$ 4,038,962
Uncollected taxes	2,167,534	97,636,780	(97,758,520)	2,045,794
Total liabilities	$ 5,337,473	$ 241,403,645	$ (240,656,362)	$ 6,084,756

STATISTICAL SECTION

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

Page

Financial Trends **90-94**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity **95-98**

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

Debt Capacity **99-103**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information ..... **104 and 105**

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

Operating Information **106-108**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 239,623	$ 269,376	$ 286,905	$ 297,040	$ 309,392	$ 317,191	$ 323,994	$ 348,388	$ 352,136	$ 353,602
Restricted:	17,663	24,221	31,811	33,746	33,998	38,480	40,181	40,910	43,627	50,425
Unrestricted:	20,858	19,522	18,027	20,674	24,187	27,326	36,275	37,004	38,231	40,480
Total governmental activities net position	$ 278,144	$ 313,119	$ 336,743	$ 351,460	$ 367,577	$ 382,997	$ 400,450	$ 426,302	$ 433,994	$ 444,508
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 98,506	$ 114,514	$ 121,465	$ 110,792	$ 110,693	$ 109,919	$ 109,324	$ 109,486	$ 109,802	$ 115,440
Restricted	29,199	28,721	19,904	18,497	20,760	18,101	17,573	16,337	25,633	32,292
Unrestricted	4,201	521	2,562	6,885	5,811	10,533	13,141	19,199	15,779	14,780
Total business-type activities net position	$ 131,906	$ 143,756	$ 143,931	$ 136,174	$ 137,264	$ 138,553	$ 140,038	$ 145,022	$ 151,214	$ 162,512
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 338,129	$ 383,890	$ 408,370	$ 407,832	$ 420,085	$ 427,110	$ 433,318	$ 457,874	$ 461,938	$ 469,042
Restricted	46,862	52,942	51,715	52,243	54,758	56,581	57,754	57,247	69,260	82,718
Unrestricted	25,059	20,043	20,589	27,559	29,998	37,859	49,416	56,203	54,010	55,261
Total primary government net position	$ 410,050	$ 456,875	$ 480,674	$ 487,634	$ 504,841	$ 521,550	$ 540,488	$ 571,324	$ 585,208	$ 607,020
Restatements	$ -	$ -	$ (6,370)	$ 1,208	$ -	$ (1,263)	$ -	$ (5,798)	$ 1,684	$ -
Total primary government net position, after restatements	$ 410,050	$ 456,875	$ 474,304	$ 488,842	$ 504,841	$ 520,287	$ 540,488	$ 565,526	$ 586,892	$ 607,020

PAULDING COUNTY, GEORGIA

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
Expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
General government	$ 11,096,377	$ 11,875,723	$ 15,134,639	$ 14,098,539	$ 13,857,914	$ 12,828,690	$ 13,486,082	$ 16,161,698	$ 13,467,900	$ 17,912,892
Judicial	4,863,031	5,001,704	5,287,183	5,151,644	5,110,368	4,968,486	4,950,952	4,988,519	5,369,441	6,159,356
Public safety	25,601,124	28,693,906	28,967,134	29,170,128	30,212,938	30,727,439	31,408,123	32,541,547	34,910,648	35,793,907
Public works	16,193,950	17,492,423	17,090,062	18,418,050	18,359,434	20,546,641	17,230,240	15,932,680	16,861,667	21,218,229
Health and welfare	1,557,815	1,933,974	1,811,145	1,914,298	1,902,239	1,720,419	1,572,223	1,101,925	1,090,330	1,101,180
Culture and recreation	3,334,112	3,695,956	3,349,656	3,408,073	3,575,759	3,338,955	3,035,558	3,887,285	4,119,985	4,210,910
Housing and development	2,679,322	2,651,121	2,233,494	2,835,188	3,373,239	2,905,201	7,009,854	3,494,755	3,115,861	6,660,286
Interest on long term debt	1,004,685	4,075,876	3,915,011	3,685,045	3,174,633	3,434,916	3,252,729	3,228,459	3,054,321	2,614,976
Intergovernmental	-	-	-	4,056,291	-	-	-	-	9,217,651	-
Total governmental activities expenses	66,330,416	75,420,683	77,788,324	82,737,256	79,566,524	80,470,747	81,945,761	81,336,868	91,207,804	95,671,736
Business-type activities:										
Water and sewer	17,177,349	18,265,107	20,444,230	22,764,941	23,625,349	24,760,061	25,298,500	25,070,543	26,610,733	28,389,824
DFACS building	159,522	182,939	160,480	149,806	145,342	136,802	133,435	129,039	206,940	133,476
Solid waste	710,594	871,377	2,906,377	918,100	920,355	859,441	935,999	845,047	899,740	1,318,065
Total business-type activities expense	18,047,465	19,319,423	23,511,087	23,832,847	24,691,046	25,756,304	26,367,934	26,044,629	27,717,413	29,841,365
Total primary government expense	$ 84,377,881	$ 94,740,106	$ 101,299,411	$ 106,570,103	$ 104,257,570	$ 106,227,051	$ 108,313,695	$ 107,381,497	$ 118,925,217	$ 125,513,101
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 2,145,429	$ 2,759,231	$ 3,033,474	$ 2,397,118	$ 2,132,286	$ 1,864,262	$ 1,977,998	$ 2,045,515	$ 2,209,102	$ 2,359,472
Judicial	2,581,006	3,039,953	3,201,439	3,492,115	3,403,827	3,346,870	3,351,315	2,656,769	2,475,097	2,614,298
Public safety	2,349,050	2,317,901	2,312,619	3,502,410	3,074,576	2,654,077	2,867,671	3,412,588	3,610,189	3,521,329
Public works	-	1,061,657	1,021,306	1,069,047	1,181,796	1,084,215	1,114,756	1,199,716	1,205,856	1,256,622
Housing and development	2,833,646	1,377,107	713,609	444,926	269,317	283,264	539,051	810,710	859,955	833,725
Other activities	1,283,062	340,607	352,270	344,837	372,423	452,223	476,720	504,372	517,190	600,916
Operating grants and contributions	713,552	889,127	1,311,103	455,452	726,533	866,016	618,866	350,281	361,075	422,534
Capital grants and contributions	36,593,097	24,208,239	19,614,453	9,599,840	11,522,537	12,311,297	13,268,828	17,904,480	10,840,920	9,267,047
Total governmental activities program revenues	$ 48,498,842	$ 35,993,822	$ 31,560,273	$ 21,305,745	$ 22,683,295	$ 22,862,224	$ 24,215,205	$ 28,884,431	$ 22,079,384	$ 20,875,943

continued

PAULDING COUNTY, GEORGIA

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

General Revenues and Other Changes in Net Position	Fiscal Year									
Business-type activities:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Charges for services										
Water and sewer	$ 21,662,705	$ 19,658,416	$ 20,393,240	$ 21,961,696	$ 23,586,071	$ 24,930,836	$ 25,563,847	$ 26,599,779	$ 28,566,440	$ 30,458,757
DFACS building	322,644	332,499	332,499	332,876	333,315	343,280	343,971	343,569	371,466	342,978
Solid waste	640,178	644,878	683,249	762,270	742,281	764,696	572,032	749,898	786,626	1,152,120
Capital grants and contributions	32,825,777	8,608,437	1,331,978	1,731,329	836,962	762,232	1,677,562	3,095,368	3,954,969	6,419,862
Total business-type activities program revenues	55,451,304	29,244,230	22,740,966	24,788,171	25,498,629	26,801,044	28,157,412	30,788,614	33,679,501	38,373,717
Total primary government program revenues	$ 103,950,146	$ 65,238,052	$ 54,301,239	$ 46,093,916	$ 48,181,924	$ 49,663,268	$ 52,372,617	$ 59,673,045	$ 55,758,885	$ 59,249,660
Net (expense)/revenue										
Governmental activities	$ (17,831,574)	$ (39,426,861)	$ (46,228,051)	$ (61,431,511)	$ (56,883,229)	$ (57,608,523)	$ (57,730,556)	$ (52,452,437)	$ (69,128,420)	$ (74,795,793)
Business-type activities	37,403,839	9,924,807	(770,121)	955,324	807,583	1,044,740	1,789,478	4,743,985	5,962,088	8,532,352
Total primary government net (expense) revenue	$ 19,572,265	$ (29,502,054)	$ (46,998,172)	$ (60,476,187)	$ (56,075,646)	$ (56,563,783)	$ (55,941,078)	$ (47,708,452)	$ (63,166,332)	$ (66,263,441)
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	$ 25,979,193	$ 28,159,043	$ 29,311,208	$ 28,174,129	$ 27,199,533	$ 25,592,760	$ 25,594,931	$ 27,837,664	$ 27,923,398	$ 27,834,758
Property taxes, levied for debt service	833,526	2,033,312	2,129,805	6,221,571	6,340,442	6,025,724	5,870,760	6,383,258	7,348,110	8,203,298
Property taxes, levied for fire service	-	7,780,368	8,382,153	7,833,792	6,922,416	6,354,045	8,490,192	8,561,817	9,876,468	11,093,884
Intangible recording tax	1,725,334	1,260,788	961,019	658,540	618,349	669,945	1,206,286	941,803	1,018,672	1,352,739
Local option sales tax	13,442,680	12,978,324	11,523,617	11,624,716	11,700,037	12,514,606	12,365,806	12,085,054	12,723,171	12,905,919
Special local option sales tax	13,828,416	13,344,404	11,745,254	13,506,950	13,422,530	14,357,398	14,322,252	14,129,720	14,896,039	15,108,307
Insurance premium tax	3,472,394	3,651,265	3,740,263	3,686,633	3,585,518	5,311,731	5,674,609	5,897,844	6,222,989	6,663,849
Alcoholic beverage tax	485,651	527,919	620,450	664,404	669,278	669,606	684,498	690,005	644,953	733,214
Cable TV franchise tax	765,247	845,204	944,382	1,016,474	1,047,225	1,226,183	1,305,951	1,359,280	1,458,951	1,553,825
Real estate transfer tax	623,254	280,516	211,081	111,904	95,218	92,049	141,348	234,686	308,685	363,140
Business tax	-	-	-	-	292,780	317,596	347,367	300,165	330,013	462,836
Energy excise tax	-	-	-	-	-	-	717	5,925	3,028	-
Interest earned on investments	2,090,528	3,591,790	781,676	193,452	96,630	82,470	54,858	47,075	51,874	82,275
Gain on sale of capital assets	-	-	-	-	-	14,488	22,877	30,530	11,125	-
Miscellaneous	6,696	-	-	-	2,408	-	-	-	-	-
Transfers	(50,000)	(50,000)	(500,000)	2,455,595	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(2,731,528)
Total governmental activities	63,202,919	74,402,933	69,850,908	76,148,160	71,792,364	73,028,601	75,882,452	78,304,826	82,617,476	83,626,516
Business-type activities	1,904,681	1,924,851	445,117	(2,342,023)	281,978	244,214	260,256	239,630	230,659	2,765,400
Total primary government	$ 65,107,600	$ 76,327,784	$ 70,296,025	$ 73,806,137	$ 72,074,342	$ 73,272,815	$ 76,142,708	$ 78,544,456	$ 82,848,135	$ 86,391,916
Changes in Net Position										
Governmental activities	$ 45,371,345	$ 34,976,072	$ 23,622,857	$ 14,716,649	$ 14,909,136	$ 15,420,078	$ 18,151,896	$ 25,852,389	$ 13,489,056	$ 8,830,723
Business-type activities	39,308,520	11,849,658	(325,004)	(1,386,699)	1,089,561	1,288,954	2,049,734	4,983,615	6,192,747	11,297,752
Total primary government	$ 84,679,865	$ 46,825,730	$ 23,297,853	$ 13,329,950	$ 15,998,697	$ 16,709,032	$ 20,201,630	$ 30,836,004	$ 19,681,803	$ 20,128,475

PAULDING COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Non-spendable fund balance	$ 403,053	$ 433,881	$ 348,125	$ 328,649	$ 369,532	$ 401,964	$ 479,709	$ 515,676	$ 134,263	$ 154,717
Restricted	-	-	-	-	351,717	-	-	-	-	-
Assigned	635,774	879,252	724,303	3,094,253	3,647,117	2,820,546	7,014,545	9,143,060	7,153,172	6,077,143
Unassigned	22,496,280	20,098,938	15,849,241	16,470,220	18,359,367	23,264,808	28,007,092	30,845,409	37,771,468	41,927,160
Total General Fund	$ 23,535,107	$ 21,412,071	$ 16,921,669	$ 19,893,122	$ 22,727,733	$ 26,487,318	$ 35,501,346	$ 40,504,145	$ 45,058,903	$ 48,159,020
All other governmental funds										
Restricted	17,058,465	23,872,353	30,142,577	31,947,797	35,488,805	39,231,507	40,768,217	40,289,627	42,976,052	49,807,071
Committed	-	-	-	-	166,972	195,566	190,787	201,105	197,478	180,058
Assigned fund	79,428,819	25,058,539	4,974,557	5,153,393	733,069	429,034	1,104,093	133,769	-	-
Total all other governmental funds	$ 96,487,284	$ 48,930,892	$ 35,117,134	$ 37,101,190	$ 36,388,846	$ 39,856,107	$ 42,063,097	$ 40,624,501	$ 43,173,530	$ 49,987,129

*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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	$ 61,402,456	$ 71,139,378	$ 69,425,275	$ 73,507,364	$ 71,902,947	$ 72,726,010	$ 76,420,730	$ 78,530,992	$ 83,052,074	$ 86,457,235
Licenses and permits	1,684,058	827,043	418,666	314,199	396,477	401,286	583,840	700,449	799,445	866,137
Intergovernmental*	10,503,875	12,539,098	17,994,489	7,556,746	12,863,115	8,602,078	13,438,765	8,478,505	2,745,819	4,058,427
Fines and forfeitures	929,701	1,429,305	1,870,675	2,177,006	1,916,401	1,809,874	1,790,623	1,665,816	1,393,119	1,371,176
Charges for services	7,922,743	7,732,736	7,507,272	7,949,596	7,721,805	7,086,883	7,518,179	7,822,728	8,193,060	8,584,244
Investment earnings	2,056,682	3,591,789	781,674	193,451	182,125	158,175	147,622	104,227	92,462	155,505
Contributions and donations	48,479	1,253,773	881,872	469,124	596,635	202,237	357,199	270,244	322,073	1,021,920
Miscellaneous	320,787	525,657	442,094	544,246	314,047	384,871	433,835	349,094	381,653	514,840
Total revenues	84,868,781	99,038,779	99,322,017	92,711,732	95,893,552	91,371,414	100,690,793	97,922,055	96,979,705	103,029,484
Expenditures										
General government	10,774,513	11,285,677	11,081,126	11,207,834	11,256,783	10,233,219	11,010,598	11,954,367	12,176,378	12,632,078
Judicial	4,677,542	4,850,252	5,171,580	5,045,118	5,008,761	5,005,183	4,927,934	4,978,802	5,321,765	6,122,941
Public Safety	24,469,922	27,502,036	27,550,200	27,534,354	28,182,770	29,174,642	29,683,023	31,055,954	33,174,672	33,815,083
Public works	12,569,722	12,284,573	11,454,071	12,479,067	10,695,703	11,866,358	8,537,966	9,485,961	10,282,390	13,343,685
Health and welfare	1,116,516	1,420,336	1,745,749	1,858,875	1,856,781	1,692,810	1,012,845	1,057,318	1,062,506	1,046,380
Culture and recreation	3,315,581	3,683,992	2,837,411	2,820,172	2,866,307	2,600,661	2,799,616	3,335,714	3,367,942	3,451,854
Housing and development	2,699,848	3,446,918	3,040,188	2,073,949	2,600,816	2,048,471	1,943,792	2,715,439	2,331,184	2,051,360
Capital outlay	24,834,462	78,418,236	47,761,495	19,150,903	22,910,133	13,348,602	18,158,525	26,934,285	18,466,921	12,757,654
Debt service										
Principal	700,000	1,935,000	2,450,000	2,545,000	2,395,000	2,545,000	2,970,000	3,470,000	4,155,000	5,130,000
Interest	405,656	3,181,795	4,034,357	3,860,850	3,693,609	3,600,576	3,504,287	2,864,914	2,709,634	2,314,268
Issuance costs	1,107,269	-	-	138,064	-	-	-	550,005	328,665	-
Intergovernmental	-	-	-	1,350,696	1,439,814	1,843,534	5,512,556	1,813,713	1,912,651	1,939,884
Total expenditures	86,671,031	148,008,815	117,126,177	90,064,882	92,906,477	83,959,056	90,061,142	100,216,472	95,289,708	94,605,187
Excess (deficiency) of revenues over (under) expenditures	(1,802,250)	(48,970,036)	(17,804,160)	2,646,850	2,987,075	7,412,358	10,629,651	(2,294,417)	1,689,997	8,424,297
Other financing sources (uses)										
Transfers in	3,738,506	7,860,275	6,960,000	4,990,595	-	-	665,836	436,954	553,237	-
Transfers out	(3,788,506)	(6,172,500)	(7,460,000)	(2,535,000)	(200,000)	(200,000)	(865,836)	(636,954)	(753,237)	(200,000)
Refunding bonds issued	-	-	-	5,129,938	-	-	-	46,591,069	33,049,000	-
Bonds issued	79,885,000	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	768,490	-	-	-
Premium on bonds issued	3,681,868	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(5,276,874)	-	-	-	(40,562,979)	(27,446,335)	-
Sale of capital assets	-	-	-	-	35,163	14,488	22,877	30,530	11,125	5,540
Total other financing sources (uses)	83,516,868	1,687,775	(500,000)	2,308,659	(164,837)	(185,512)	591,367	5,858,620	5,413,790	(194,460)
Net change in fund balances	$ 81,714,618	$ (47,282,261)	$ (18,304,160)	$ 4,955,509	$ 2,822,238	$ 7,226,846	$ 11,221,018	$ 3,564,203	$ 7,103,787	$ 8,229,837
Debt service as a percentage of noncapital expenditures	3.70%	7.47%	10.31%	10.38%	9.75%	9.81%	8.87%	8.66%	9.11%	9.17%

* Intergovernmental revenue varies according to the grants received.

PAULDING COUNTY, GEORGIA

ASSESSED VALUE 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
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	13.44	7,530,228
2013	2,159,641	88,138	806,351	3,054,131	13.54	7,635,326
2014	2,545,886	103,722	768,704	3,418,312	12.57	8,545,780
2015	2,965,322	107,620	692,974	3,765,916	11.85	9,414,790

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
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
2013	8.22	8.22	2.22	3.10	13.54	18.88	0.00	18.88	0.15	4.17	-	36.74
2014	7.25	7.25	2.22	3.10	12.57	18.88	0.00	18.88	0.10	4.17	-	35.72
2015	6.53	6.53	2.22	3.10	11.85	18.88	0.00	18.88	0.05	4.17	-	34.95

Source: Paulding County Board of Commissioners Minutes

PAULDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
June 30, 2016

	2016			2007		
Taxpayer	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	$ 418,900	1	1.06%	$ 512,997	3	2.43%
Georgia Transmission Corp.	249,552	2	0.63%			
IA Hiram Smith L.L.C.	155,382	3	0.39%	585,268	1	2.77%
Norfolk Southern	148,464	4	0.37%	230,607	10	1.09%
Georgia Power Company	123,797	5	0.31%			
City of Atlanta	117,339	6	0.30%	251,915	8	1.19%
Ocean Harris Bridge	115,737	7	0.29%			
Walmart Real Estate	107,086	8	0.27%	523,157	2	2.47%
Freo Georgia LLC	105,987	9	0.27%			
Atlanta Gas Light	94,336	10	0.24%			
Jones Co. Ltd.						
Temco and Associates				477,168	4	2.26%
Inland Container				384,309	5	1.82%
BellSouth Communications				376,063	6	1.78%
New Georgia LLC				327,636	7	1.55%
MRP Paulding LLC				239,972	9	1.14%

Source: Paulding County Tax Commissioner

PAULDING COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Total Collections as Percent of Current Levy
2007	$ 21,138,250	$ 21,106,336	99.85%	$ 23,464	$ 21,129,800	99.96%
2008	31,572,008	31,396,979	99.45%	149,954	31,546,933	99.91%
2009	32,907,367	32,525,284	98.84%	342,802	32,868,086	99.87%
2010	37,382,099	36,572,301	97.83%	754,514	37,326,815	99.83%
2011	34,436,345	34,274,232	99.53%	103,853	34,378,085	99.80%
2012	31,632,338	30,571,901	96.65%	977,564	31,549,465	99.67%
2013	33,377,150	32,582,693	97.62%	676,382	33,259,075	99.54%
2014	34,080,208	33,383,040	97.95%	551,623	33,934,663	99.16%
2015	37,024,551	36,426,765	98.39%	348,658	36,775,423	99.33%
2016	39,689,214	39,032,168	98.34%	-	39,032,168	98.34%

Source: Paulding County Tax Commissioner

PAULDING COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Intergovernmental Payable	Notes Payable	Revenue Bonds	Notes Payable	Intergovernmental Payable			
2007	$ 92,583,361	$ -	$ -	$ 40,108,914	$ 570,605	$ 1,670,037	$ 134,932,917	4.70%	$ 1,076
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	2.86%	961
2012	79,387,554	-	-	43,856,877	1,569,321	5,360,000	130,173,752	2.66%	907
2013	76,213,797	-	768,490	41,466,200	1,372,790	5,090,000	124,911,277	2.36%	863
2014	76,691,519	4,590,000	1,739,559	37,850,544	1,166,964	4,685,000	126,723,586	2.26%	862
2015	74,670,176	11,480,000	7,013,559	34,076,056	951,393	4,265,000	132,456,184	2.80%	889
2016	70,518,668	13,665,000	-	30,212,710	16,394,166	3,835,000	134,625,544	2.68%	884

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, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (thousands)	Gross Bonded Debt	Less: Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2014	146,950	3,054,131	76,691,519	2,146,542	74,544,977	2.44%	507
2015	148,987	3,418,312	74,670,176	3,370,229	71,299,947	2.09%	479
2016	152,238	3,765,916	70,518,668	5,385,379	65,133,289	1.73%	428

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, 2016

Governmental Unit	Debt Outstanding	Estimated* Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
General Obligation Bonds	$ 70,518,668	100%	$ 70,518,668
Intergovernmental Payable	13,665,000	100%	13,665,000
Total Direct	84,183,668		84,183,668
Overlapping:			
Paulding County School District:			
General Obligation Bonds	98,590,000	90%	88,731,000
Capital Leases	443,160	90%	398,844
City of Dallas:			
Intergovernmental Contracts	5,910,000	6%	354,600
GEFA Loans	21,343,826	6%	1,280,630
Total Overlapping	126,286,986		90,765,074
Total Direct and Overlapping	$ 210,470,654		$ 174,948,742

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

PAULDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value of Property	$ 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	$ 3,054,130,546	$ 3,418,312,210	$ 3,765,916,177
Less: Special Homestead Exemption	(188,576,783)	(201,769,303)	(219,424,316)	(220,206,684)	(188,756,893)	(225,191,114)	(224,685,721)	(221,222,794)	(204,932,223)	(216,990,163)
Assessed Value for Bond Purposes	$ 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	$ 2,832,907,752	$ 3,213,379,987	$ 3,548,926,014
Debt Limit - 10% of Assessed Value	$ 368,749,018	$ 414,506,950	$ 436,751,262	$ 410,236,297	$ 339,766,624	$ 304,707,951	$ 278,740,564	$ 283,290,775	$ 321,337,999	$ 354,892,601
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	$ 88,925,000	$ 86,990,000	$ 84,540,000	$ 81,780,000	$ 79,385,000	$ 76,840,000	$ 73,870,000	$ 76,691,519	$ 74,670,176	$ 70,518,668
Less: Available in Debt Service Fund	(2,472,717)	(1,285,973)	(1,275,280)	(1,059,728)	(1,313,563)	(1,232,569)	(1,515,862)	(2,146,542)	(3,370,229)	(5,385,379)
Net Debt Applicable to Debt Limit	$ 86,452,283	$ 85,704,027	$ 83,264,720	$ 80,720,272	$ 78,071,437	$ 75,607,431	$ 72,354,138	$ 74,544,977	$ 71,299,947	$ 65,133,289
Legal Debt Margin	$ 282,296,735	$ 328,802,923	$ 353,486,542	$ 329,516,025	$ 261,695,187	$ 229,100,520	$ 206,386,426	$ 208,745,798	$ 250,038,052	$ 289,759,312
Total net debt applicable to the limit as a percentage of debt limit	23.44%	20.68%	19.06%	19.68%	22.98%	24.81%	25.96%	26.31%	22.19%	18.35%

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

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Services	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
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
2014	26,046,079	18,174,022	7,872,057	3,285,000	1,495,281	4,780,281	1.65
2015	27,812,318	19,835,391	7,976,927	3,455,000	1,369,619	4,824,619	1.65
2016	29,639,875	21,573,430	8,066,445	3,570,000	1,264,944	4,834,944	1.67

(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)
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%
2014	146,950	5,596,003	38,081	7.8%
2015	148,987	4,724,825	31,713	5.5%
2016	152,238	5,025,529	33,011	4.8%

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

(2) Source: Bureau of Economic Accounts

(3) Source: Georgia Department of Labor

PAULDING COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2016			2007		
Employer	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
Paulding County Board of Education	3381	1	4.56%	3000	1	4.62%
WellStar Health System Inc	1525	2	2.06%	365	4	0.56%
Paulding County Government	904	3	1.22%	798	2	1.23%
Wal-mart Associates Inc.	307	4	0.41%	701	3	1.08%
Kroger	265	5	0.36%			
Publix Super Markets	245	6	0.33%	117	9	0.18%
Metromont Presstress Company	241	7	0.32%	200	7	0.31%
Learning Bridge	180	8	0.24%			
Target Corporation	160	9	0.22%	185	8	0.29%
Home Depot	155	10	0.21%	110	10	0.17%
Aiken Grading				260	5	0.40%
Bellsouth Telecommunications				230	6	0.35%

Source: Georgia Department of Labor
Number of employees are estimated

PAULDING COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	85	84	81	77	74	74	74	76	76	98
Judicial	71	70	70	64	62	62	67	76	76	90
Public Safety	61	54	44	47	47	48	49	51	51	66
Firefighters	81	85	112	118	129	129	138	140	140	167
Sheriff	269	268	269	278	268	272	282	276	276	289
Public Works	96	94	88	88	80	80	81	81	81	87
Department of Transportation	64	61	59	53	55	55	58	58	58	63
Health and welfare	8	8	8	8	7	7	8	7	7	10
Culture and recreation	38	39	34	34	35	35	35	38	38	43
Housing and development	25	25	12	13	14	13	14	17	17	24
Total	798	788	777	780	771	775	806	820	820	937

Source: Paulding County Finance Department - Budget Documents

PAULDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Public Safety										
Animal Control cases	7,801	6,513	5,898	5,232	4,983	3,868	3,636	3,368	3,241	3,102
Emergency 911 call volume	188,029	203,401	228,760	218,627	218,627	285,813	285,813	286,846	283,326	294,814
Marshal call volume	1,190	986	1,094	831	1,725	3,133	2,834	2,861	2,246	2,259
Fire call volume	9,001	9,140	9,297	9,799	10,379	10,772	10,772	11,865	12,667	13,613
Sheriff call volume	58,054	73,221	71,054	71,925	71,925	64,197	64,405	59,871	57,456	66,907
Health and welfare										
Senior Programs	1,485	1,400	1,092	1,100	1,080	1,085	1,085	1,085	1,282	1,309
Transit Trips	29,470	39,745	42,809	43,450	43,520	43,200	43,200	43,200	33,414	27,965
Meals on Wheels	18,571	19,620	29,107	29,220	29,200	29,150	29,150	29,150	26,009	28,293
Culture and recreation										
Recreation programs	110	103	165	115	121	180	180	180	168	209
Housing and development										
Permits issued	2,953	1,600	812	741	536	474	725	1,086	2,725	3,030

n/a Information is not available.
Source: Paulding County Departments

PAULDING COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Buildings	51	51	51	52	52	52	52	52	52	52
Public Safety										
Fire stations	10	10	10	11	12	12	12	12	13	13
Culture and recreation										
Acreage	923.4	1014.8	1106.2	1197.6	1197.6	1197.6	1197.6	1204.6	1381.6	1381.6
Parks	11	11	11	11	11	11	11	12	12	12

Source: Paulding County Government asset records