

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



*Prepared by
Department of Finance*

I. Introductory Section

Comprehensive Annual Financial Report

Paulding County, Georgia

For Fiscal Year Ended June 30, 2013

Prepared by Department of Finance

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PAULDING COUNTY BOARD OF COMMISSIONERS

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

November 30, 2013

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2013, is submitted herewith as mandated by local ordinances and the State of Georgia statutes. These ordinances and statutes require that Paulding County issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

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

Profile of Paulding County

Paulding County, incorporated in 1832, was the 87th county created in Georgia and was named after John Paulding, a soldier in the Revolutionary War. Paulding County's rich historical resources include a number of well-preserved Civil War memorials, including the New Hope Church that was the site of the 1864 battle between General Sherman and Confederate General Johnston. The County is located approximately 29 miles northwest of Atlanta and ranks as one of the top ten fastest growing counties in the nation. The County has a land area of 314 square miles and a population of approximately 144,800.

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

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

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

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

However, outstanding encumbrances generally are re-appropriated as part of the following year's budget.

Local Economy

The County's unemployment rate of 8.3% represents a slight decrease from last year and is slightly lower than the rate of 8.5% for the State of Georgia. However, Paulding County is not experiencing as significant an impact on the homeownership rate as the state. Paulding County continues to hold a high home-ownership rate of 81.5% and 9% of the families living below the poverty level, compared to State averages of 66.8% and 16.5%, respectively.

The County's rapid residential growth slowed substantially in 2008. Commercial construction, however, experienced a less intensive slow down compared to housing. A positive outlook for future growth of Paulding is the opening of the County's general aviation airport, the construction of the new WellStar Hospital and completion of the film studio. The County's transition from a bedroom community into a more self-sustaining community will present significant challenges for the County, as the demand for services will change. To meet the needs of these changes the County is exploring new methods of obtaining financial resources and providing higher quality and more efficient services at less cost. The County is in its third year of a six-year special purpose local option sales tax (SPLOST) used to fund the construction and improvement of roads, construction of recreational facilities, and public safety capital improvements. Since 1988, the County's voters have supported six consecutive referendums for a special purpose local option sales tax (SPLOST) for the County, as well as, five consecutive similar referendums for the construction of schools.

Long-term financial planning

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

General Fund Balance. The fund balance of the general fund remained stable in 2013, as a result of conservative spending policies and budget control measures. The unassigned fund balance of \$28,007 represents 209 working days of expenditures. This level of unassigned fund balance should significantly reduce the likelihood of the County entering the short-term debt market to pay current operating expenditures.

Proprietary Operations. The County's proprietary operations are comprised of three, separate and distinct activities: the Water and Sewer System, the Solid Waste Disposal System and the Department of Family and Children's Services (DFCS) facility. The Water and Sewer System operates with no subsidy from the County's General Fund. Revenue from the Solid Waste Disposal System generates approximately 61 % of its cost to operate. The State of Georgia leases the space for DFCS from the County, the proceeds of which provide revenue sufficient to cover the costs of operations and debt service. Paulding County's Water and Sewer System recently upgraded its aging infrastructure and completed a sewer system treatment facility expansion to encourage commercial growth.

Under the provisions of GASB Statement Number 18, the County reports an accrual of \$3,579 for landfill closure and post closure care costs as of June 30, 2013. The Landfill is incurring an annual accrual for the anticipated post closure care cost and monitoring the closure of the landfill.

Debt Administration. At June 30, 2013, the County had a number of debt issues outstanding. These issues included \$73,870 of general obligation bonds, and \$39,490 of revenue bonds. The County maintains an Aa3 rating from Moody's Investor Service and a AA rating from Standard and Poor's Rating Service on general obligation issues and for the revenue issues, an A2 from Moody's and AA-stable from Standard and Poor's. Under current Georgia statutes, the County's general debt issuances are subject to legal limitation based on 10 percent of total assessed value of real and personal property. As of June 30, 2013, the County's net general obligation bonded debt of \$72,354 was well below the legal limit of \$278,741. General obligation debt per capita equaled \$500 (five hundred dollars).

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

In the fall of 2008, the County opened a general aviation airport. The initial length of the runway is 5500 feet, expandable to 6500 feet. The County also enlisted the services of a consultant with expertise in airport-related economic development master plans. The economic development efforts associated with the airport project will be funded through public-private partnerships, in addition to federal, state and local funds. Due to increasing demand and limited availability of hanger space in the Atlanta Metropolitan Area, the planned Paulding Northwest Atlanta Airport has generated considerable interest in the aviation community. The first phase of hangers is completed and 100% of them are leased with a new 35,000 square foot hanger expected to be completed in 2013. A fuel farm is now operational. This allows for aircraft to purchase fuel at the airport. The County's master plan for the area includes clustered, self-sustainable, high-tech living-working-recreation development with a green focus. In 2010, a Fixed Base Operator (FBO) was selected, "Paulding Jet Center" and is currently operational.

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

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

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

Relevant financial policies

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

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

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

Major Initiatives

For the Year. In preparing the 2013 budget, the County's staff, under specific directives from the governing authority, identified several major programs necessary to meet the citizens' needs for services and to safeguard the environment. These programs reflect the County's commitment to continued improvement in the quality of life for its citizens.

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

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

Paulding County Industrial Building Authority recently contracted with RoadTown Enterprises to construct and manage a film studio. Construction was completed and operations of the studio began in early 2012. The filming of the studio's first feature length film "42" was completed in 2012. The film studio is currently located within the local union's 30 mile zone which makes filming more affordable.

Also during the coming years, and to be carried out concurrently with the airport project, the County will work closely with the Industrial Building Authority in an aggressive pursuit of economic development. Planned projects include the acquisition of land adjacent to the airport for the development of a business park, as well as other business park developments in close proximity to the County's existing sewer plants. The most notable business park is the 100 acre Industrial Park equipped with a Norfolk-Southern rail spur. This site is capable of housing facilities up to 500,000 square feet. It will be located off of Bill Carruth Parkway, construction began in 2012 and completion is anticipated in late 2013.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended June 30, 2012. This was the sixteenth, consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

Tabitha Pollard
Finance Director

Michael L. Jones, P.E.
County Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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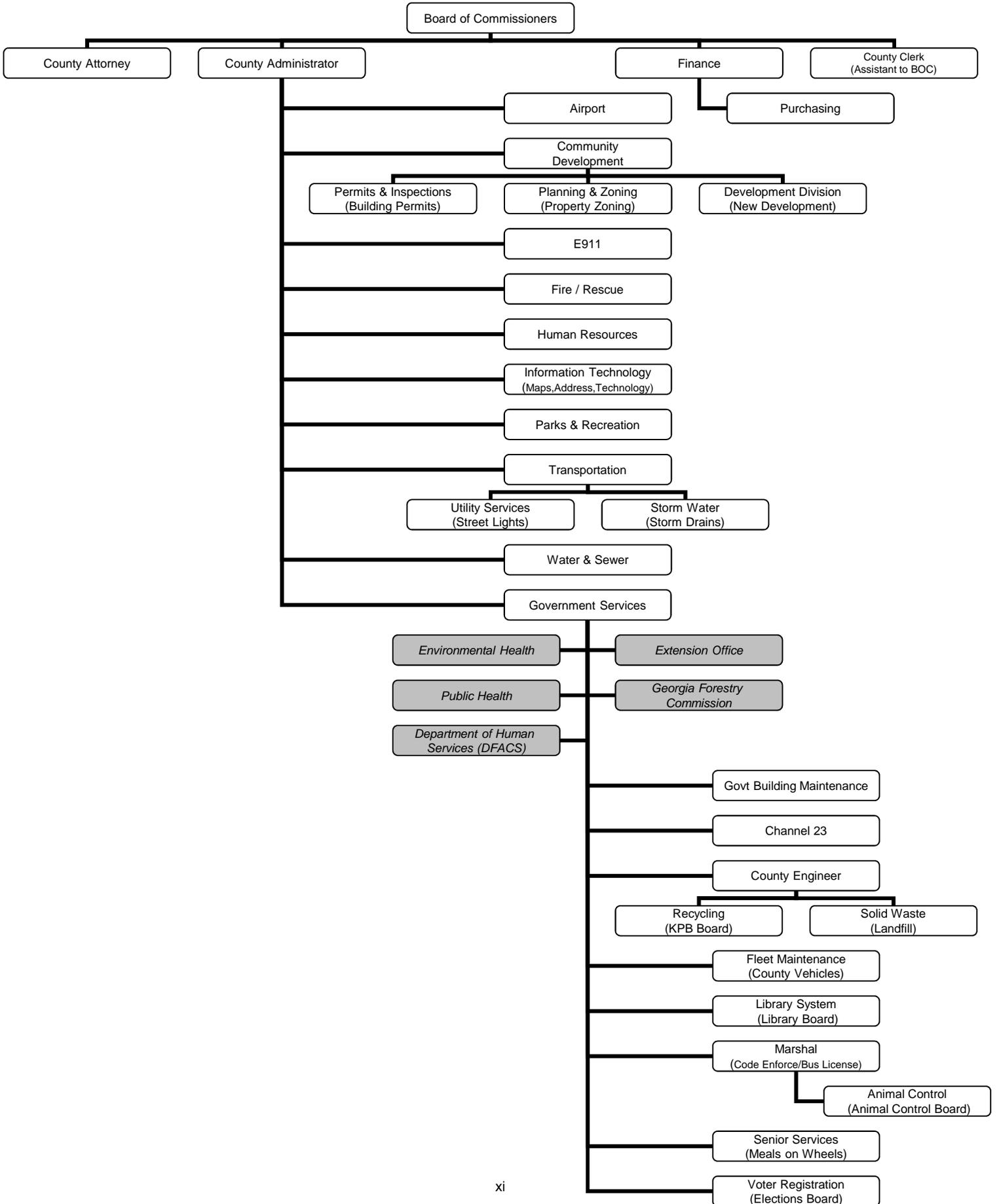
**Paulding County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Paulding County, Georgia Organization Chart



PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2013

BOARD OF COMMISSIONERS

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

OTHER ELECTED OFFICIALS

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

II. Financial Section

Basic Financial Statements

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

	Primary Government			Component Units		
	Governmental	Business-Type	Total	Board of	Industrial	Airport
	Activities	Activities		Health	Building Authority	
ASSETS						
Cash and cash equivalents	\$ 76,207,881	\$ 16,628,900	\$ 92,836,781	\$ 722,721	\$ 2,300,421	\$ 135,052
Restricted cash	-	18,642,294	18,642,294	-	2,220,935	-
Due from other governments	2,024,854	-	2,024,854	124,061	8,618,516	-
Taxes receivable	3,378,611	-	3,378,611	-	-	-
Internal balances	(185,133)	185,133	-	-	-	-
Other receivables	832,333	3,446,520	4,278,853	142	138,452	3,900
Due from component units	2,393,982	105,995	2,499,977	-	-	-
Due from primary government	-	-	-	-	5,090,000	-
Inventories and prepaids	479,709	235,497	715,206	3,523	-	-
Net Pension Asset	290,959	-	290,959	-	-	-
Capital Assets not being depreciated:						
Land	51,090,599	2,033,030	53,123,629	-	2,555,420	3,863,253
Construction In Progress	37,521,818	166,186	37,688,004	-	411,126	63,832
Capital assets, net of						
accumulated depreciation						
Buildings	117,483,771	3,551,844	121,035,615	-	822,677	261,870
Furniture, Equipment and Vehicles	6,835,798	628,378	7,464,176	21,023	68,597	743
Infrastructure	187,182,477	150,189,211	337,371,688	-	6,435,997	1,975,480
Other non-current assets	-	-	-	-	5,250	-
Prepaid bond insurance	118,651	148,584	267,235	-	-	-
Total assets	485,656,310	195,961,572	681,617,882	871,470	28,667,391	6,304,130
DEFERRED OUTFLOWS						
Deferred charges on refunding	18,241	714,711	732,952	-	-	-
Total assets and deferred outflows	485,674,551	196,676,283	682,350,834	871,470	28,667,391	6,304,130

The accompanying notes are an integral part of this statement.

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

	Primary Government			Component Units		
	Governmental	Business-Type	Total	Board of	Industrial	Airport
	Activities	Activities		Health	Building	Authority
LIABILITIES						
Accounts payable	2,254,635	1,143,129	3,397,764	880	15,558	1,910
Accrued liabilities	602,721	-	602,721	-	3,288	-
Due to primary government	-	-	-	-	2,499,977	-
Due to other governments	-	-	-	40,641	-	-
Unearned revenue	-	911,276	911,276	-	-	-
Accrued interest payable	1,430,776	141,267	1,572,043	-	166,354	-
Construction contracts payable	-	30,000	30,000	-	-	-
Customer deposits	-	2,538,743	2,538,743	-	-	-
Noncurrent Liabilities						
Due to Industrial Building Authority						
Due within one year	-	405,000	405,000	-	-	-
Due in more than one year	-	4,685,000	4,685,000	-	-	2,173,516
Due within one year	5,635,614	4,107,509	9,743,123	-	1,025,000	-
Due in more than one year	75,018,918	42,676,319	117,695,237	50,451	20,876,678	-
Total liabilities	84,942,664	56,638,243	141,580,907	91,972	24,586,855	2,175,426
DEFERRED INFLOWS						
Unearned revenue	282,008	-	282,008	-	-	-
Total liabilities and deferred inflows	85,224,672	56,638,243	141,862,915	91,972	24,586,855	2,175,426
NET POSITION						
Net investment in capital assets,	323,994,466	109,354,370	433,348,836	21,023	2,168,817	3,991,662
Restricted for:						
Capital projects	30,138,715	8,821,815	38,960,530	-	-	-
Judicial	778,996	-	778,996	-	-	-
Public Safety	7,490,655	-	7,490,655	-	-	-
Debt service	1,772,049	8,751,173	10,523,222	-	2,220,935	-
Unrestricted	36,274,998	13,110,682	49,385,680	758,475	(309,216)	137,042
TOTAL NET POSITION	400,449,879	\$ 140,038,040	\$ 540,487,919	\$ 779,498	\$ 4,080,536	\$ 4,128,704

The accompanying notes are an integral part of this statement.

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

Functions/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units		
	Expenses	Charges for Services	Operating	Capital	Primary government			Board of Health	Industrial Building Authority	Airport Authority
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary Government										
Governmental activities:										
General government	\$ 13,486,082	\$ 1,977,998	\$ -	\$ -	\$ (11,508,084)	\$ -	\$ (11,508,084)	\$ -	\$ -	\$ -
Judicial	4,950,952	3,351,315	88,950	29,903	(1,480,784)	-	(1,480,784)	-	-	-
Public safety	31,408,123	2,867,671	277,812	23,508	(28,239,132)	-	(28,239,132)	-	-	-
Public works	17,230,240	1,114,756	164,457	6,856,162	(9,094,865)	-	(9,094,865)	-	-	-
Culture and recreation	3,035,558	466,750	382	-	(2,568,426)	-	(2,568,426)	-	-	-
Health and welfare	1,572,223	9,970	87,265	-	(1,474,988)	-	(1,474,988)	-	-	-
Housing and development	7,009,854	539,051	-	6,266,491	(204,312)	-	(204,312)	-	-	-
Interest on long term debt	<u>3,252,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,252,729)</u>	<u>-</u>	<u>(3,252,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	81,945,761	10,327,511	618,866	13,176,064	(57,823,320)	-	(57,823,320)	-	-	-
Business-type:										
Water and sewer	25,298,500	25,563,847	-	1,677,562	-	1,942,909	1,942,909	-	-	-
DFACS facility lease	133,435	343,971	-	-	-	210,536	210,536	-	-	-
Landfill	<u>935,999</u>	<u>572,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(363,967)</u>	<u>(363,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type activities	<u>26,367,934</u>	<u>26,479,850</u>	<u>-</u>	<u>1,677,562</u>	<u>-</u>	<u>1,789,478</u>	<u>1,789,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 108,313,695</u>	<u>\$ 36,807,361</u>	<u>\$ 618,866</u>	<u>\$ 14,853,626</u>	<u>(57,823,320)</u>	<u>1,789,478</u>	<u>(56,033,842)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units										
Board of Health	\$ 1,357,536	\$ 408,985	\$ 924,581	\$ -				\$ (23,970)	\$ -	\$ -
Industrial Building Authority	1,428,058	532,231	-	-				-	(895,827)	-
Airport Authority	<u>284,199</u>	<u>251,978</u>	<u>-</u>	<u>3,673,338</u>				<u>-</u>	<u>-</u>	<u>3,641,117</u>
Total component units	<u>\$ 2,785,594</u>	<u>\$ 1,193,194</u>	<u>\$ 924,581</u>	<u>\$ -</u>				<u>\$ (23,970)</u>	<u>\$ (895,827)</u>	<u>\$ 3,641,117</u>

The accompanying notes are an integral part of this statement.

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

	Net (Expense) Revenue and Changes in Net Position			Component Units		
	Primary government			Board of Health	Industrial Building Authority	Airport Authority
	Governmental Activities	Business-type Activities	Total			
General revenues						
Taxes						
Property taxes, levied for general purposes	\$ 25,594,931	\$ -	\$ 25,594,931	\$ -	\$ -	\$ -
Property taxes, levied for debt service	5,870,760	-	5,870,760	-	-	-
Property taxes, levied for fire service	8,490,192	-	8,490,192	-	-	-
Intangible recording tax	1,206,286	-	1,206,286	-	-	-
Local option sales tax	12,365,806	-	12,365,806	-	-	-
Special purpose local option sales taxes	14,322,252	-	14,322,252	-	-	-
Insurance premium tax	5,674,609	-	5,674,609	-	-	-
Alcoholic beverage tax	684,498	-	684,498	-	-	-
Cable TV franchise tax	1,305,951	-	1,305,951	-	-	-
Real estate transfer tax	141,348	-	141,348	-	-	-
Business tax	347,367	-	347,367	-	-	-
Energy excise tax	717	-	717	-	-	-
Interest earned on investments	147,622	60,256	207,878	680	2,256	-
Gain/ (Loss) on sale of capital assets	22,877	-	22,877	-	(29,125)	-
Miscellaneous	-	-	-	198	-	-
Transfers	(200,000)	200,000	-	-	-	-
Total general revenues and transfers	75,975,216	260,256	76,235,472	878	(26,869)	-
Change in net position	18,151,896	2,049,734	20,201,630	(23,092)	(922,696)	3,641,117
Net position - beginning, before restatement	382,996,954	138,552,450	521,549,404	802,590	5,386,050	487,587
Restatement	(698,971)	(564,144)	(1,263,115)	-	(382,818)	-
Net position - beginning, after restatement	382,297,983	137,988,306	520,286,289	802,590	5,003,232	487,587
Net position - ending	<u>\$ 400,449,879</u>	<u>\$ 140,038,040</u>	<u>\$ 540,487,919</u>	<u>\$ 779,498</u>	<u>\$ 4,080,536</u>	<u>\$ 4,128,704</u>

The accompanying notes are an integral part of this statement.

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

	Major Governmental Funds			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	General	SPLOST III	SPLOST IV			
Assets						
Cash and cash equivalents	\$ 35,059,356	\$ 9,032,770	\$ 21,240,885	\$ 1,062,656	\$ 9,812,214	\$ 76,207,881
Receivables, net						
Taxes	1,582,173	-	1,127,904	-	668,534	3,378,611
Intergovernmental	1,015,513	-	-	1,009,341	-	2,024,854
Other	523,129	-	-	-	309,204	832,333
Prepaid items	479,709	-	-	-	-	479,709
Due from other funds	461,999	43,303	-	423,082	195,058	1,123,442
Due from component unit	56,475	-	-	-	-	56,475
Total assets	\$ 39,178,354	\$ 9,076,073	\$ 22,368,789	\$ 2,495,079	\$ 10,985,010	\$ 84,103,305
Liabilities						
Accounts payable	\$ 425,482	\$ 373,471	\$ 1,085,203	\$ 328,330	\$ 42,149	2,254,635
Accrued liabilities	602,721	-	-	-	-	602,721
Due to other funds	887,150	-	66,140	-	355,285	1,308,575
Total liabilities	1,915,353	373,471	1,151,343	328,330	397,434	4,165,931
Deferred Inflows of Resources						
Unavailable revenue - property taxes	1,479,647	-	-	-	611,276	2,090,923
Unearned Revenue	282,008	-	-	-	-	282,008
Total deferred inflows	1,761,655	-	-	-	611,276	2,372,931
Total liabilities and deferred inflows	3,677,008	373,471	1,151,343	328,330	1,008,710	6,538,862
Fund Balances						
Non-Spendable fund balance	479,709	-	-	-	-	479,709
Restricted fund balance	-	8,702,602	21,217,446	1,062,656	9,785,513	40,768,217
Committed fund balance	-	-	-	-	190,787	190,787
Assigned fund balance	7,014,545	-	-	1,104,093	-	8,118,638
Unassigned fund balance	28,007,092	-	-	-	-	28,007,092
Total fund balances	35,501,346	8,702,602	21,217,446	2,166,749	9,976,300	77,564,443
Total liabilities, deferred inflows and fund balances	\$ 39,178,354	\$ 9,076,073	\$ 22,368,789	\$ 2,495,079	\$ 10,985,010	\$ 84,103,305

Paulding County, Georgia

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2013

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

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2013

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

The accompanying notes are an integral part of this statement.

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

For the year ended June 30, 2013

Total net change in fund balances - governmental funds \$ 11,221,018

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Depreciation expense	(12,049,632)	
Capital outlays	17,079,814	5,030,182

Pension asset reported in the statement of activities does not require the use of current financial resources and therefore is not reported as a revenue in governmental funds.

(87,229)

Amortization of prepaid bond insurance, deferred charges and bond premium reported in the statement of activities does not require the use of current financial resources and, therefore is not reported as expenditures in governmental funds.

210,662

Loan proceeds through Georgia Environmental Finance Authority is a revenue in the governmental funds, but increases long-term liabilities in the statement of net position.

(768,490)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2,970,000

Property taxes levied for the current and prior years not collected within sixty days after the County's fiscal year ends, are not considered "available" revenues and are unavailable in the governmental funds. Unavailable tax revenues related to prior years decreased by this amount this year.

Unavailable@ 06/30/13	2,090,923	
Unavailable @ 06/30/12	(2,506,936)	(416,013)

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts paid), Vacation and sick earned exceeded amounts paid by this amount.

Liability @ 06/30/13	(3,672,305)	
Liability @ 06/30/12	3,403,938	(268,367)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Liability @ 06/30/13	(1,430,776)	
Liability @ 06/30/12	1,471,672	40,896

Debt payments are currently being made on behalf of a component unit. The funds paid out for series A will be repaid to the County in future periods. These debt payments are expenditures in the governmental fund statements, but a receivable is recorded on the government wide statements.

219,237

Change in net position of governmental activities **\$ 18,151,896**

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Water and Sewer Fund	Non-Major Enterprise Funds	Total
ASSETS			
Current Assets			
Cash	\$ 16,173,513	\$ 455,387	\$ 16,628,900
Restricted cash	18,642,294	-	18,642,294
Accounts receivable, net	3,399,385	47,135	3,446,520
Due from other funds	-	225,707	225,707
Due from component unit	105,995	-	105,995
Inventory	235,497	-	235,497
Total current assets	38,556,684	728,229	39,284,913
Capital Assets:			
Land	1,420,797	612,233	2,033,030
Plant and equipment	208,058,242	5,150,467	213,208,709
Construction in progress	166,187	-	166,187
Less: accumulated depreciation	(56,189,927)	(2,649,350)	(58,839,277)
Net capital assets	153,455,299	3,113,350	156,568,649
Other Asset			
Prepaid bond insurance	148,584	-	148,584
Total assets	192,160,567	3,841,579	196,002,146
DEFERRED OUTFLOWS			
Deferred amounts from refunding	714,711	-	714,711
Total assets and deferred outflows	192,875,278	3,841,579	196,716,857
6			
LIABILITIES			
Current Liabilities			
Accounts payable	1,102,179	40,950	1,143,129
Compensated absences	249,132	9,623	258,755
Unearned revenue	911,276	-	911,276
Due to general fund	40,434	140	40,574
Due to component unit	405,000	-	405,000
Current portion of loans payable	25,840	179,983	205,823
Current maturities of long-term debt, payable from restricted assets	3,285,000	-	3,285,000
Construction contracts payable	30,000	-	30,000
Current portion of post closure care cost	-	357,931	357,931
Accrued interest payable	138,540	2,727	141,267
Customers' deposits, payable from restricted assets	2,538,743	-	2,538,743
Total current liabilities	8,726,144	591,354	9,317,498
Long-Term Liabilities, net of current portion			
Due to component unit	4,685,000	-	4,685,000
Revenue bonds payable	38,181,200	-	38,181,200
Loans payable	588,752	578,215	1,166,967
Compensated absences	106,771	-	106,771
Post closure care costs	-	3,221,381	3,221,381
Total long-term liabilities	43,561,723	3,799,596	47,361,319
Total liabilities	52,287,867	4,390,950	56,678,817

The accompanying notes are an integral part of this statement.

Paulding County, Georgia
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	<u>Business-type Activities-Enterprise Funds</u>		
	<u>Major Fund</u>		
	<u>Water and Sewer Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
NET POSITION (Deficit)			
Net investment in capital assets, net of related debt	106,999,218	2,355,152	109,354,370
Restricted for:			
Debt Service	8,751,173	-	8,751,173
Capital Projects	8,821,815	-	8,821,815
Unrestricted (deficit)	<u>16,015,205</u>	<u>(2,904,523)</u>	<u>13,110,682</u>
TOTAL NET POSITION (Deficit)	<u>\$ 140,587,411</u>	<u>\$ (549,371)</u>	<u>\$ 140,038,040</u>

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

For the year ended June 30, 2013

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

Paulding County, Georgia
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business type Activities		
	Major Fund		
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 25,486,536	\$ 936,234	\$ 26,422,770
Cash payments for goods and services	(14,711,871)	(642,921)	(15,354,792)
Cash payments for employee services and fringe benefits	(3,479,412)	(169,741)	(3,649,153)
Net cash provided by operating activities	7,295,253	123,572	7,418,825
Cash flows from non-capital financing activities:			
Rental income	12,887	-	12,887
Transfers in	-	200,000	200,000
Net cash provided by noncapital financing activities	12,887	200,000	212,887
Cash flows from capital and related financing activities:			
Principal paid on loans	(25,077)	(171,454)	(196,531)
Acquisition and construction of capital assets	(1,389,775)	-	(1,389,775)
Principal paid on revenue bonds	(3,130,000)	-	(3,130,000)
Proceeds from long-term borrowings	13,451,080		
Payments to refund bonds	(13,497,220)		
Interest paid	(2,194,396)	(41,432)	(2,235,828)
Line maintenance fee	254,930	-	254,930
Contributed Capital	1,677,562	-	1,677,562
Net cash used in capital and related financing activities	(4,852,896)	(212,886)	(5,019,642)
Cash flows from investing activities:			
Interest received on investments	60,256	-	60,256
Net cash provided by investing activities	60,256	-	60,256
Net increase in cash and cash equivalents	2,515,500	110,686	2,626,186
Cash and cash equivalents, July 1	\$ 32,300,307	\$ 344,701	\$ 32,645,008
Cash and cash equivalents, June 30	\$ 34,815,807	\$ 455,387	\$ 35,271,194
Reconciliation to Statement of Net Assets			
Cash	\$ 16,173,513	\$ 455,387	\$ 16,628,900
Restricted cash	18,642,294	-	18,642,294
	\$ 34,815,807	\$ 455,387	\$ 35,271,194

The accompanying notes are an integral part of this statement.

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

For the year ended June 30, 2013

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

The accompanying notes are an integral part of this statement.

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

June 30, 2013

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

The accompanying notes are an integral part of this statement.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Paulding County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("USGAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

1. Reporting Entity

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

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Reporting Entity - Continued

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the County. For the most part, the effect of the inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefits from goods, services, or 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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all requirements imposed by the provider have been met.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

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

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

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

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

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

The County reports the following major funds:

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

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

The County reports the following non-major fund types:

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

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

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. For the fiscal year ended June 30, 2013, the County implemented GASB Statement No. 62, codification of initialize Accounting and Financial Reporting Guidance contained in pre-November 30, 1989 FASB and AICPA Pronouncements. This statement is incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements. Proprietary funds include the following fund type:

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

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

4. Budgets

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

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Budgets - Continued

During the year supplemental appropriations were made in the amount of \$ 9,468,451 These increases were primarily due to the general fund carryover expenditures and additional SPLOST projects carried out during the year as approved, and the additional federal funding of the East Hiram Parkway project as well as federal funding of the airport project. These expenditures were recorded in the general fund, SPLOST III fund as well as the Capital projects fund. These additional appropriations were funded by federal grants as well as fund balance.

5. Cash and Cash Equivalents

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

6. Investments

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

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

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

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

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

8. Inventory

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Prepaid Items

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

10. Restricted Assets

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

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

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

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

11. Capital Assets

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Capital Assets - Continued

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

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

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

12. Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes which will be recognized as an inflow of resources in the period in which the amounts become available. The County also reports unearned revenues which relate to developer contributions for future infrastructure projects, but received during the current or a previous year and thus, will be recognized as revenue in the year the project is completed.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Compensated Absences

On the government-wide statements, vacation and sick pay is accrued and reported as a liability for the governmental activities similar to business-type activities. Vested or accumulated vacation and sick leave is recorded in government-wide as well as proprietary as an expense and liability of those funds as the benefits accrue to employees and since the County has a policy to pay accrued sick leave at termination. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

14. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

15. Fund Equity/Net Position

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

Fund balances are classified as follows:

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. Fund Equity/Net Position – Continued

- **Restricted** – Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation (same as restricted net position)
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Through the adoption of the fund balance policy the Board of Commissioners has authorized the County’s Finance Director or the County Administrator to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. Positive unassigned fund balance may only be reported in the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

16. Interfund Transactions

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

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

17. Use of Estimates in the Preparation of Financial Statements

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

18. Operating/Non-operating Revenues and Expenses

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

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

Primary Government - Continued

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

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

Discretely Presented Component Units

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

At year end, Paulding County Industrial Building Authority's carrying amount of bank deposits was \$4,521,355 and the bank balance was \$5,209,989. The Authority's bank balances are categorized to indicate the level of risk assumed by the authority as follows:

1.) Insured or collateralized with securities held by the Authority or by its agent in the Authority's name, or FDIC	\$ 4,078,628
2.) Collateralized with securities held by pledging financial institution's Trust department or agent in the Authority's name	958,643
3.) Uncollateralized, including any bank balance that is collateralized With securities held by the pledging financing institution, or by its Trust department or agent but not in the Authority's name	<u>172,718</u>
	<u>\$ 5,209,989</u>

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE C – RECEIVABLES

Receivables as of year end consist of the following:

Primary Government

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

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

The County levies property taxes between August 1 and October 31 based on an assessment date of January 1. The current year levy date was August 12. Property taxes are due by the later of November 15 or sixty days from the date the property tax bills are mailed at which time penalties and interest are assessed. A lien is created at ninety days delinquent.

Discretely Presented Component Units

As of June 30, 2013 the Component Units reported the following intergovernmental receivables:

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water & Sewer Fund	\$ 40,434
General Fund	SPLOST IV	66,140
General Fund	Non-major Governmental Fund	355,285
Non-major Governmental Fund	General Fund	195,058
General Fund	Non-major Enterprise Fund	140
Capital Projects Fund	General Fund	423,082
SPLOST III	General Fund	43,303
Non-major Enterprise Fund	General Fund	225,707
		<u>\$ 1,349,149</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between funds are made. Interfund balances are expected to be repaid within one year.

Transfers – Primary Government:

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

The General Fund contributes to the Solid Waste Fund. This is a budgeted expenditure of the General Fund and will continue until the revenues adequately meet the expenditures of the above mentioned fund. The Capital Projects Fund transferred remaining funds from project into the Debt Service Fund. This is also a budgeted expenditure. However, it is a one-time transfer and not a recurring transfer.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE E - CAPITAL ASSET

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE E - CAPITAL ASSETS-CONTINUED

	Balance July 1, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Business-type activities:					
Water/Sewer:					
Land	\$ 1,420,797	\$ -	\$ -	\$ -	\$ 1,420,797
Construction in Progress	691,290	449,403	10,166	(964,340)	166,187
Total capital assets not being depreciated	<u>2,112,087</u>	<u>449,403</u>	<u>-</u>	<u>(964,340)</u>	<u>1,586,984</u>
<i>Capital assets being depreciated:</i>					
Buildings	1,776,254	12,300	-	-	1,788,554
Equipment	3,514,959	83,148	56,660	-	3,541,447
Water distribution system	111,296,659	697,588	-	964,340	112,958,587
Sewer system	89,612,152	157,502	-	-	89,769,654
Total capital assets being depreciated	<u>206,200,024</u>	<u>950,538</u>	<u>56,660</u>	<u>964,340</u>	<u>208,058,242</u>
Less accumulated depreciation for:					
Buildings	685,562	50,894	-	-	736,456
Equipment	2,825,883	145,217	56,660	-	2,914,440
Water distribution system	33,656,672	2,869,436	-	-	36,526,108
Sewer system	13,709,096	2,303,827	-	-	16,012,923
Total accumulated depreciation	<u>50,877,213</u>	<u>5,369,374</u>	<u>56,660</u>	<u>-</u>	<u>56,189,927</u>
Total capital assets, being depreciated, net	<u>155,322,811</u>	<u>(4,418,836)</u>	<u>-</u>	<u>964,340</u>	<u>151,868,315</u>
Water and sewer capital assets, net	<u>\$ 157,434,898</u>	<u>\$ (3,969,433)</u>	<u>\$ 10,166</u>	<u>\$ -</u>	<u>\$ 153,455,299</u>
Other business-type activity programs:					
Land	\$ 612,233	\$ -	\$ -	\$ -	\$ 612,233
<i>Capital assets being depreciated:</i>					
Buildings	3,650,477	-	-	-	3,650,477
Equipment	1,499,990	-	-	-	1,499,990
Total capital assets being depreciated	<u>5,150,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,150,467</u>
Less accumulated depreciation for:					
Buildings	1,072,869	77,862	-	-	1,150,731
Equipment	1,434,925	63,694	-	-	1,498,619
Total accumulated depreciation	<u>2,507,794</u>	<u>141,556</u>	<u>-</u>	<u>-</u>	<u>2,649,350</u>
Total capital assets, being depreciated, net	<u>2,642,673</u>	<u>(141,556)</u>	<u>-</u>	<u>-</u>	<u>2,501,117</u>
Other enterprise funds capital assets, net	<u>3,254,906</u>	<u>(141,556)</u>	<u>-</u>	<u>-</u>	<u>3,113,350</u>
Business-type activities capital assets, net	<u>\$ 160,689,804</u>	<u>\$ (4,110,989)</u>	<u>\$ 10,166</u>	<u>\$ -</u>	<u>\$156,568,649</u>

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE E - CAPITAL ASSETS-CONTINUED

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

Governmental Funds:

General government	\$ 2,519,475
Judicial	36,709
Public safety	1,592,094
Public works	6,289,506
Culture and recreation	551,078
Health and welfare	46,737
Housing and development	<u>1,014,033</u>
Total depreciation expense-governmental funds	<u>\$ 12,049,632</u>

Business-type Funds

Water/Sewer	\$ 5,369,374
Landfill	63,694
DFCS Facility	<u>77,862</u>
Total depreciation expense - business-type activities	<u>\$ 5,510,930</u>

Discretely Presented Component Units

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

	Balance July 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2013</u>
Business Type activities:				
<i>Capital assets not being depreciated</i>				
Land	\$ 2,832,262	\$ 24,478	\$ (301,320)	\$ 2,555,420
Construction in progress	<u>327,861</u>	<u>2,136,412</u>	<u>(2,053,147)</u>	<u>411,126</u>
Total capital assets not being				
Depreciated	<u>3,160,123</u>	<u>2,160,890</u>	<u>(2,354,467)</u>	<u>2,966,546</u>
<i>Capital assets being depreciated</i>				
Buildings	782,993	76,728	-	859,721
Infrastructure	4,618,383	1,951,942	-	6,570,325
Equipment and vehicles	<u>103,886</u>	<u>82,004</u>	-	<u>103,886</u>
Total capital assets being				
Depreciated	5,505,262	2,028,670	-	7,533,932
Less accumulated depreciation for				
Buildings	17,469	19,575	-	37,044
Infrastructure	18,128	116,199	-	134,327
Equipment and vehicles	<u>23,333</u>	<u>11,956</u>	-	<u>35,289</u>
Total accumulated depreciation	58,930	147,730	-	206,660
Total capital assets being				
Depreciated, net	<u>5,446,332</u>	<u>1,880,940</u>	-	<u>7,327,272</u>
Total Industrial Building Authority capital				
Assets, net	<u>\$8,606,455</u>	<u>\$4,041,830</u>	<u>\$ (2,354,467)</u>	<u>\$ 10,293,818</u>

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE E - CAPITAL ASSETS-CONTINUED

Discretely Presented Component Units-continued

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

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

NOTE F - LANDFILL CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Governmental accounting standards require the County to estimate and accrue for future costs associated with the closure and post-closure care of the landfill. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and post-closure care costs at year end totaled \$3,579,312. This amount is based on the total estimated cost of closure and post-closure costs multiplied by management's estimate of the percentage of landfill capacity used at year end (94%). The estimated total current cost of the landfill closure and post-closure care (approximately \$3,807,779,) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of June 30, 2013 it is estimated that the remaining life of the landfill is eight years.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT

1. Changes in Long-Term Debt

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

1. Changes in Long-Term Debt - Continued

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

2. General Obligation Bonds

General obligations bonds at year end consisted of the following:

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

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

Series 2009 general obligation bonds (original amount - \$5,000,000) due in principal maturities of \$65,000 to \$ 1,290,000 through 2015; interest at 2.25% to 3.00% payable August 1 and February 1. The 2009 bond issue refunded the 1999 bond issue.

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,065,000	\$ 3,400,876	\$ 6,465,876
2015	\$ 3,180,000	\$ 3,285,663	\$ 6,465,663
2016	\$ 3,295,000	\$ 3,174,401	\$ 6,469,401
2017	\$ 3,410,000	\$ 3,060,113	\$ 6,470,113
2018	\$ 3,580,000	\$ 2,891,012	\$ 6,471,012
2019	\$ 3,755,000	\$ 2,716,188	\$ 6,471,188
2020	\$ 3,945,000	\$ 2,529,838	\$ 6,474,838
2021	\$ 4,130,000	\$ 2,337,413	\$ 6,467,413
2022	\$ 4,330,000	\$ 2,142,063	\$ 6,472,063
2023	\$ 4,500,000	\$ 1,967,863	\$ 6,467,863
2024	\$ 3,345,000	\$ 1,782,313	\$ 5,127,313
2025	\$ 3,510,000	\$ 1,615,063	\$ 5,125,063
2026	\$ 3,685,000	\$ 1,439,563	\$ 5,124,563
2027	\$ 3,870,000	\$ 1,255,313	\$ 5,125,313
2028	\$ 4,055,000	\$ 1,071,488	\$ 5,126,488
2029	\$ 4,250,000	\$ 878,875	\$ 5,128,875
2030	\$ 4,430,000	\$ 698,250	\$ 5,128,250
2031	\$ 4,650,000	\$ 476,750	\$ 5,126,750
2032	\$ 4,885,000	\$ 244,250	\$ 5,129,250
	<u>\$ 73,870,000</u>	<u>\$ 36,967,295</u>	<u>\$ 110,837,295</u>

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

3. Water Revenue Bonds

Outstanding revenue bonds at June 30, 2013, collateralized by all revenues of the County's water and sewer system, consist of the following:

Series 1993 A & B revenue bonds (original amount - \$16,910,000) due in principal maturities of \$560,000 to \$1,035,000 through 2013; interest at 3.50% to 6.00% payable June 1 and December 1. The 1993 issue provided financing for water and sewer infrastructure. \$ 1,305,000

Series 2004 revenue bonds (original amount - \$ 13,675,000) due in principal maturities of \$ 475,000 to \$ 1,375,000 through 2022; interest at 3.00% to 5.00% payable June 1 and December 1. The 2004 issue provided financing for water and sewer infrastructure. The 2004 issue was advance refunded by the 2012 issue. 1,460,000

Series 2009 revenue bonds (original amount - \$ 15,740,000) due in principal maturities of \$ 700,000 to \$ 4,920,000 through 2023; interest at 2.00% to 5.00% payable June 1 and December 1. The 2009 issue provided financing for water and sewer infrastructure. 12,855,000

Series 2009A revenue bonds (original amount - \$ 17,755,000) due in principal maturities of \$ 420,000 to \$ 2,150,000 through 2021; interest at 2.00% to 5.00% payable June 1 and December 1. The 2009A issue refunded the 1999 bond issue. 16,425,000

Series 2012 revenue bonds (original amount – \$7,445,000) due in principal maturities of \$25,000 to \$1,315,000 through 2022; interest at 2.00% to 4.00% payable June 1 and December 1. The 2012 issue advance refunded the 2004 bond issue. 7,445,000

Gross bonds payable	39,490,000
Unamortized bond premium	<u>1,976,200</u>
Net bonds payable	<u>\$ 41,466,200</u>

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

4. Water Revenue Bonds - Continued

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	3,285,000	1,509,581	4,794,581
2015	3,455,000	1,409,519	4,864,519
2016	3,570,000	1,264,944	4,834,944
2017	3,670,000	1,145,293	4,815,293
2018	3,820,000	1,015,532	4,835,532
2019	3,940,000	886,350	4,826,350
2020	4,080,000	728,928	4,808,928
2021	4,270,000	540,300	4,810,300
2022	4,480,000	333,975	4,813,975
2023	<u>4,920,000</u>	<u>114,275</u>	<u>5,034,275</u>
	<u>\$ 39,490,000</u>	<u>\$8,948,699</u>	<u>\$ 48,438,699</u>

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$39,490 million in water revenue bonds issued from 1993 to 2012. Proceeds from the bonds provided financing for water and sewer infrastructure. The bonds are payable from water customer net revenues and are payable through 2023. Annual principal and interest payments on the bonds are expected to require approximately less than 20 percent of operating revenues. The total principal and interest remaining to be paid on the bonds is \$48,438,699. Principal and interest paid for the current year and total customer revenues were \$5,020,791 and \$25,296,030, respectively.

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

5. Loans Payable

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

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

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

Intergovernmental payable to Industrial Building Authority (original amount – \$ 6,370,000) due in semiannual installments of \$405,000 to \$520,000 through 2023; interest at .00% to 3.00% payable June 1 and December 1. This payable Funds the 2003 Series B & C issued to construct a sewer treatment plant 5,090,000

2001 Installment sale note agreement (original amount - \$2,523,500) payable in monthly installments of \$20,087, including interest at 3.90%, through June 3, 2015, provide financing for a building leased to the Department of Family Children Services. 758,198

2010 Georgia Environmental Facilities Authority loan (original amount- \$660,000) payable in monthly installments of \$3,660, including interest At 3.0%, through August 1, 2031, provide financing for water reuse lines.

614,592
\$6,462,790

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

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

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

5. Industrial Building Authority Component Unit Long – Term Debt

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

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

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE G - LONG-TERM DEBT – CONTINUED

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

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

	Balance June 30, 2012	Additions	Payments	Balance June 30, 2013	Due within 1 year
Industrial Building Authority					
Revenue Bonds Payable					
2003 Revenue Bonds	\$ 7,535,000	\$ -	\$ (7,535,000)	\$ -	\$ -
2010 Revenue Bonds	6,445,000	-	-	6,445,000	-
2011 Revenue Bonds	7,900,000	-	-	7,900,000	295,000
2012 Revenue Bonds	-	7,315,000	-	7,315,000	585,000
Unamortized Bond Premium	<u>44,796</u>	<u>265,932</u>	<u>(69,050)</u>	<u>241,678</u>	-
Total Bonds Payable	<u>\$21,924,796</u>	<u>\$ 7,580,932</u>	<u>\$ 7,604,050</u>	<u>\$ 21,901,678</u>	<u>\$ 880,000</u>

Year ending June 30,	Principal	Interest	Total
2013	880,000	867,532	1,747,532
2014	1,060,000	836,594	1,896,594
2015	1,115,000	815,091	1,930,091
2016	1,170,000	790,621	1,960,621
2017	1,195,000	762,938	1,957,938
2018-2022	6,765,000	3,243,506	10,008,506
2023-2027	5,390,000	1,958,790	7,348,790
2028-2031	<u>4,085,000</u>	<u>549,619</u>	<u>4,634,619</u>
	<u>\$ 21,660,000</u>	<u>\$ 9,824,689</u>	<u>\$ 31,484,689</u>

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE H - OPERATING LEASE AGREEMENT

The County leases several buildings to third parties under operating lease agreements. One lease may be renewed annually through June 30, 2017. One lease may be renewed or extended in three successive periods of five years. Fiscal year 2013 includes minimum operating lease agreements totaling \$343,970.

NOTE I - RISK MANAGEMENT

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE J - COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Contingencies

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

Construction Contracts

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

NOTE K - DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Association of County Commissioners of Georgia ("ACCG") Paulding County Defined Benefit Plan (the "Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. Actuarial information included in this footnote is as of January 1, 2013(the date of the most recent actuarial valuation date).

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE K - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description - Continued

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

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

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

Funding Policy

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Funding Policy - Continued

Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) projected salary increases of 4.5% - 7.0% (3.0% inflation) per year compounded annually, and (c) no post-retirement benefit increases, (d) active participants of 611. The actuarial value of the Plan's assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period as of January 1, 2013 was 10 years.

Annual Pension Cost

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

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

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

The County's actuarially required contribution, pension cost, and decrease in net pension asset for the year ended June 30, 2013, were computed as follows:

Schedule of Employer Contributions:

Year ended <u>June 30,</u>	Annual Pension <u>Cost (APC)</u>	Actual County <u>Contribution</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
2013	\$ 2,189,066	\$2,101,837	96%	(290,959)
2012	2,079,414	2,043,488	98%	(378,188)
2011	2,033,143	2,009,221	99%	(414,114)
2010	1,977,229	1,974,840	99%	(438,036)
2009	1,703,500	1,765,801	104%	(440,425)

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE L - DEFINED BENEFIT PENSION PLAN – CONTINUED

Annual Pension Cost - Continued

Derivation of Net Pension Asset:

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

Derivation of Annual Pension cost:

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

Contributions totaling \$2,101,837 paid in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2013 for the 2013 Plan Year. The contributions represented 9.3% of the covered payroll for 2012. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

NOTE M - DEFINED CONTRIBUTION PLAN

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

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE M – DEFINED CONTRIBUTION PLAN - CONTINUED

The County has made the following contributions to the plan:

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

NOTE N - JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the fifteen county northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC). Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC's in Georgia. The RC Council membership includes the chief elected official of each county, the largest municipality of the county and one non-public member from the county. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. During the year, the County paid \$128,328 in dues to the NWGRC. The financial requirements of the County related to the NWGRC are limited to the amount of its annual dues. Separate financial statements may be obtained by writing to Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162-1798.

NOTE O – FUND EQUITY

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

General Fund	
Prepaid Items	\$ 479,709

Restricted – The following balances are restricted for:

Major Funds:

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE O – FUND EQUITY - CONTINUED

Restricted - Continued

Non-major funds:

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

Committed – The following fund balance are committed to:

<i>Sheriff Commissary</i> – used to account for the receipts and		
Purchases inmates incur while incarcerated	\$	190,787

Assigned – The following fund balances are assigned to:

General Fund:

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

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE O – FUND EQUITY - CONTINUED

Assigned – Continued

Major funds:

<i>Capital Projects Fund</i> – used to construct or purchase Capital assets	\$ 1,104,093
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Unassigned – The County’s policy is to maintain an adequate General fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster. Through resolution, the Board of Commissioners has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 25 percent of budgeted expenditures

NOTE P – DEFICIT FUND EQUITY/BUDGETARY OVERAGES

The Solid Waste Fund has a deficit fund equity of \$ 2,482,240 at June 30, 2013. The deficit occurred due to the recognition of the landfill closure and post-closure care liability as described in Note F. Annually, a contribution is made from the General Fund to reduce this deficit.

Expenditures exceeded appropriations at the department level as follows:

Major Funds	
General Fund	
General Gov’t – General Appropriations	\$ 34,167
Health and Welfare - General Health Grant	442
SPLOST III	
Emergency Telephone System	154,580
SPLOST IV	
Economic Development	40,597
Capital Projects	
General Government	768,490
Non-Major funds	
Law Library	912
Sheriff Commissary	15,109

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

Paulding County, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE Q – RESTATEMENT

The County made a prior period adjustment to adjust for the change in accounting principle GASB 65. This statement requires bond issuance cost to be expensed in the current year except for insurance premium cost. This change resulted in a reduction of governmental activities net position in the amount of \$698,971 and Business Type Activities in the Water and Sewer System in the amount of \$564,144.

NOTE R – SUBSEQUENT EVENTS

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

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

Required Supplementary
Information
(unaudited)

**PAULDING COUNTY, GA
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS

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

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

NOTE A – ACTUARIAL VALUATION

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

Valuation date:	January 1, 2013
Actuarial cost method:	Projected unit credit
Asset valuation method:	Market value
Amortization method:	Level dollar
Remaining amortization period:	10

The amortization period for this plan is closed.

Actuarial Assumptions Utilized:	
Investment rate of return:	7.75%
Projected salary increases:	4.5 – 7.0% %
Includes inflation at	3.0%
Cost of living adjustment	None

General Fund

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Animal Control				
Personnel Services	416,500	479,600	473,712	5,888
Operating Expenditures	118,900	132,200	127,269	4,931
Capital Outlay	-	8,000	7,635	365
	<u>535,400</u>	<u>619,800</u>	<u>608,616</u>	<u>11,184</u>
General Appropriations				
Operating Expenditures	42,000	54,500	50,781	3,719
Total Public Safety	<u>19,657,931</u>	<u>19,643,300</u>	<u>19,159,313</u>	<u>483,988</u>
Public Works				
Roads and Bridges				
Personnel Services	3,025,200	2,767,600	2,818,207	(50,607)
Operating Expenditures	4,065,185	5,609,700	3,989,846	1,619,854
Capital Outlay	-	-	-	-
	<u>7,090,385</u>	<u>8,377,300</u>	<u>6,808,053</u>	<u>1,569,247</u>
Utility Coordinator				
Personnel Services	-	-	-	-
Operating Expenditures	800,000	900,000	897,821	2,179
	<u>800,000</u>	<u>900,000</u>	<u>897,821</u>	<u>2,179</u>
Maintenance Shop				
Personnel Services	546,600	535,600	528,169	7,431
Operating Expenditures	58,617	58,400	36,327	22,073
	<u>605,217</u>	<u>594,000</u>	<u>564,496</u>	<u>29,504</u>
Recycling				
Personnel Services	89,100	91,300	89,968	1,332
Operating Expenditures	23,950	23,700	18,899	4,801
	<u>113,050</u>	<u>115,000</u>	<u>108,867</u>	<u>6,133</u>
Total Public Works	<u>8,608,652</u>	<u>9,986,300</u>	<u>8,379,237</u>	<u>1,607,063</u>

Paulding County, Georgia

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

Year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Health and Welfare				
Mental Health Grant	50,000	50,000	50,000	-
General Health Grant	326,000	326,000	327,660	(1,660)
General Welfare Grant	28,000	18,300	17,082	1,218
	<u>404,000</u>	<u>394,300</u>	<u>394,742</u>	<u>(442)</u>
Senior Citizens Center				
Personnel Services	177,100	181,500	179,306	2,194
Operating Expenditures	89,500	90,700	68,488	22,212
	<u>266,600</u>	<u>272,200</u>	<u>247,794</u>	<u>24,406</u>
Senior Citizens Van				
Personnel Services	111,200	92,900	86,173	6,727
Operating Expenditures	17,500	28,000	27,428	572
	<u>128,700</u>	<u>120,900</u>	<u>113,601</u>	<u>7,299</u>
Bus Service				
Personnel Services	143,600	132,000	118,848	13,152
Operating Expenditures	47,400	63,400	57,413	5,987
	<u>191,000</u>	<u>195,400</u>	<u>176,261</u>	<u>19,139</u>
General Appropriations				
Operating Expenditures	81,000	89,000	80,447	8,553
Total Health and Welfare	<u>1,071,300</u>	<u>1,071,800</u>	<u>1,012,845</u>	<u>58,955</u>
Culture and Recreation				
Library				
Personnel Services	647,300	649,400	604,589	44,811
Operating Expenditures	129,040	128,600	142,403	(13,803)
Capital Outlay	-	25,000	-	25,000
	<u>776,340</u>	<u>803,000</u>	<u>746,992</u>	<u>56,008</u>
Recreation				
Personnel Services	1,128,200	1,141,300	1,119,252	22,048
Operating Expenditures	787,100	791,700	797,689	(5,989)
Capital Outlay	-	-	-	-
	<u>1,915,300</u>	<u>1,933,000</u>	<u>1,916,941</u>	<u>16,059</u>
General Appropriations				
Operating Expenditures	<u>10,700</u>	<u>10,700</u>	<u>10,642</u>	<u>58</u>
Total Culture and Recreation	<u>2,702,340</u>	<u>2,746,700</u>	<u>2,674,574</u>	<u>72,125</u>

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Non-Major Funds

Paulding County, Georgia

Non-major Governmental Funds

June 30, 2013

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Paulding County, Georgia
All Nonmajor Governmental Funds
COMBINING BALANCE SHEET

June 30, 2013

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

Paulding County, Georgia
All Nonmajor Governmental Funds
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the year ended June 30, 2013

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

Paulding County, Georgia
Nonmajor Governmental Funds - Special Revenue
COMBINING BALANCE SHEET

June 30, 2013

	Victim Witness	E-911	Jail	Supplemental Juvenile	Drug Use Treatment	Clerk's Technology	Law Library	Sheriff Commissary	Drug Confiscation	Fire Tax	Total Non-Major Special Revenue
Assets											
Cash and cash equivalents	\$ 102,015	\$ 753,538	\$ 1,050,480	\$ 143,088	\$ 112,746	\$ 445,942	\$ 88,851	\$ 190,787	\$ 24,814	\$ 5,602,722	\$ 8,514,983
Receivables, net											
Property taxes	-	-	-	-	-	-	-	-	-	387,774	387,774
Other	-	302,434	6,529	-	241	-	-	-	-	-	309,204
Total assets	<u>\$ 102,015</u>	<u>\$ 1,055,972</u>	<u>\$ 1,057,009</u>	<u>\$ 143,088</u>	<u>\$ 112,987</u>	<u>\$ 445,942</u>	<u>\$ 88,851</u>	<u>\$ 190,787</u>	<u>\$ 24,814</u>	<u>\$ 5,990,496</u>	<u>\$ 9,211,961</u>
Liabilities											
Accounts payable	\$ -	\$ 24,223	\$ -	\$ 900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,026	\$ 41,149
Due to other funds	-	52,221	545	-	-	-	-	-	-	302,519	355,285
Total liabilities	-	76,444	545	900	-	-	-	-	-	318,545	396,434
Deferred Inflows of Resources											
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	355,089	355,089
Total liabilities and deferred inflows	-	76,444	545	900	-	-	-	-	-	673,634	751,523
Fund Balances											
Restricted fund balance	102,015	979,528	1,056,464	142,188	112,987	445,942	88,851	-	24,814	5,316,862	8,269,651
Committed fund balance	-	-	-	-	-	-	-	190,787	-	-	190,787
Total fund balances	<u>102,015</u>	<u>979,528</u>	<u>1,056,464</u>	<u>142,188</u>	<u>112,987</u>	<u>445,942</u>	<u>88,851</u>	<u>190,787</u>	<u>24,814</u>	<u>5,316,862</u>	<u>8,460,438</u>
Total liabilities and fund balances	<u>\$ 102,015</u>	<u>\$ 1,055,972</u>	<u>\$ 1,057,009</u>	<u>\$ 143,088</u>	<u>\$ 112,987</u>	<u>\$ 445,942</u>	<u>\$ 88,851</u>	<u>\$ 190,787</u>	<u>\$ 24,814</u>	<u>\$ 5,635,407</u>	<u>\$ 8,856,872</u>

Paulding County, Georgia
Nonmajor Governmental Funds - Special Revenue
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

	Budgeted Amounts		Actual	Variances Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 2,000,000	\$ 2,000,000	\$ 2,008,106	\$ 8,106
Investment income	-	-	4,684	4,684
Total Revenues	2,000,000	2,000,000	2,012,790	12,790
Expenditures				
Public safety				
Emergency telephone system				
Personnel services	1,632,000	1,586,700	1,561,948	24,752
Other services and charges	705,000	750,300	622,326	127,974
Total expenditures	2,337,000	2,337,000	2,184,274	152,726
Excess (deficiency) of revenues over (under) expenditures	(337,000)	(337,000)	(171,484)	(139,936)
Other financing sources				
Transfers In	-	-	10,836	
Net change in fund balance	\$ (337,000)	\$ (337,000)	(160,648)	\$ 165,516
Fund balance, beginning of year			1,140,177	
Fund balance, end of year			\$ 979,529	

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia

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

Year ended June 30, 2013

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

Paulding County, Georgia
Nonmajor Enterprise Funds
COMBINING STATEMENT OF NET POSITION

June 30, 2013

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

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

For the year ended June 30, 2013

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

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

For the year ended June 30, 2013

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

Fiduciary Funds

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2013

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

Paulding County, Georgia

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the year ending June 30, 2013

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

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX III EXPENDITURES

For the Year Ended June 30, 2013

	Original Budgeted Cost	Expenditures		Total
		Prior Years**	Current Year	
Roads, streets and bridges	\$ 40,500,000	\$ 33,085,586	\$ 5,235,442	\$ 38,321,028
Public Safety and Fire Protection Facilities and Equipment	12,150,000	10,863,170	1,005,905	11,869,075
Recreation	28,350,000	18,281,080	497,788	18,778,868
	<u>81,000,000</u>	<u>62,229,836</u>	<u>6,739,135</u>	<u>68,968,971</u>
Cities				
Dallas Projects	5,580,000	4,204,080	-	4,204,080
Hiram Projects	3,420,000	2,576,694	-	2,576,694
Total City Projects	<u>9,000,000</u>	<u>6,780,774</u>	<u>-</u>	<u>6,780,774</u>
Total SPLOST Projects	<u>\$ 90,000,000</u>	<u>\$ 69,010,610</u>	<u>\$ 6,739,135</u>	<u>\$ 75,749,745</u>
Non-SPLOST expenditures*				
Roads, streets and bridges	\$ -	\$ 8,260,841	\$ -	\$ 8,260,841
Public Safety and Fire Protection Facilities and Equipment	-	21,000	-	21,000
Recreation	-	140,677	-	140,677
	<u>-</u>	<u>8,422,518</u>	<u>-</u>	<u>8,422,518</u>
Total Projects	<u>\$ 90,000,000</u>	<u>\$ 77,433,128</u>	<u>\$ 6,739,135</u>	<u>\$ 84,172,263</u>

*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
	<u>\$ 8,422,518</u>

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

	Prior Year Adjustment
Roads and Bridges	\$ 3,550,137
Public Safety	21,000
Recreation	30,000
	<u>\$ 3,601,137</u>

Paulding County, Georgia

SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX IV EXPENDITURES

For the Year Ended June 30, 2013

	Original Budgeted Cost	Expenditures		Total
		Prior Years	Current Year	
Roads, streets and bridges	\$ 47,528,348	\$ 1,614,778	\$ 2,794,705	\$ 4,409,483
Public Safety and Fire Protection Facilities and Equipment	17,554,024	-	2,131,362	2,131,362
Recreation	16,560,400	195,073	125,040	320,113
Economic Development: Fiber Optic Communications	<u>1,159,228</u>	<u>15,928</u>	<u>40,597</u>	<u>56,525</u>
	<u>82,802,000</u>	<u>1,825,779</u>	<u>5,091,704</u>	<u>6,917,483</u>
Cities				
Dallas Projects	6,840,000	1,033,757	1,031,342	2,065,099
Hiram Projects	<u>5,358,000</u>	<u>809,777</u>	<u>807,885</u>	<u>1,617,662</u>
Total City Projects	<u>12,198,000</u>	<u>1,843,534</u>	<u>1,839,227</u>	<u>3,682,761</u>
Total SPLOST Projects	<u>\$ 95,000,000</u>	<u>\$ 3,669,313</u>	<u>\$ 6,930,931</u>	<u>\$ 10,600,244</u>
Non-SPLOST expenditures*				
Roads, streets and bridges	\$ -	\$ 277,017	\$ 16,415	\$ 293,432
Public Safety and Fire Protection Facilities and Equipment	-	-	-	-
Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>277,017</u>	<u>16,415</u>	<u>293,432</u>
Total Projects	<u>\$ 95,000,000</u>	<u>\$ 3,946,330</u>	<u>\$ 6,947,346</u>	<u>\$ 10,893,676</u>

*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	<u>\$ 293,432</u>
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III. Statistical Section

(Unaudited)

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

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Debt Capacity

These schedules present information to help the readers assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future. 113

Demographic and Economic Information

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Operating Information

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Except where noted, the information in these schedules is derived from Paulding County’s comprehensive annual financial reports for the relevant year. Paulding County implemented GASB 34 in 2004; schedules presenting Government-wide information include information beginning that year.