

**PAULDING COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2018**

**Prepared By:**  
**The Paulding County Finance Department**

## **INTRODUCTORY SECTION**

---

**PAULDING COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**TABLE OF CONTENTS**

	<u><b>Page</b></u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i-iii
Letter of Transmittal .....	iv-viii
Certificate of Achievement for Excellence in Financial Reporting .....	ix
Principal Officials .....	x
Organizational Chart .....	xi
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1-4
Management's Discussion and Analysis .....	5-13
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	14
Statement of Activities .....	15
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Net Position – Proprietary Funds .....	20
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	21
Statement of Cash Flows – Proprietary Funds .....	22
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	23
Notes to Financial Statements .....	24-66
<b>Required Supplementary Information:</b>	
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	67 and 68
Fire Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	69
Schedule of Changes in the County's Net Pension Liability and Related Ratios .....	70
Schedule of County Contributions .....	71

**PAULDING COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (Continued)</b>	<u><b>Page</b></u>
<b>Combining and Individual Fund Statements and Schedules:</b>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	73
Victim’s-Witness Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	74
Emergency 911 Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	75
Jail Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	76
Supplemental Juvenile Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	77
Drug Use Treatment Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	78
Clerk’s Technology Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	79
Law Library Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	80
Sheriff Commissary Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	81
Drug Confiscation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actal.....	82
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual .....	83
Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds .....	84 and 85
Combining Statement of Net Position – Nonmajor Proprietary Funds .....	86
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds .....	87
Combining Statement of Cash Flows – Nonmajor Proprietary Funds .....	88
Combining Statement of Assets and Liabilities – Agency Funds.....	89
Statement of Changes in Assets and Liabilities – Agency Funds .....	90 and 91
Statement of Cash Flows – Component Unit – Paulding County Airport Authority .....	92

**PAULDING COUNTY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2018**

---

**TABLE OF CONTENTS**

<b>STATISTICAL SECTION</b>	<b><u>Page</u></b>
<b>Financial Trends:</b>	
Net Position by Component .....	93
Changes in Net Position .....	94 and 95
Fund Balances of Governmental Funds .....	96
Changes in Fund Balances of Governmental Funds .....	97
<b>Revenue Capacity:</b>	
Assessed Value and Estimated Actual Value of Taxable Property .....	98
Property Tax Rates - Direct and Overlapping Governments .....	99
Principal Property Taxpayers .....	100
Property Tax Levies and Collections .....	101
<b>Debt Capacity:</b>	
Ratios of Outstanding Debt by Type .....	102
Ratios of General Bonded Debt Outstanding.....	103
Direct and Overlapping Governmental Activities Debt .....	104
Legal Debt Margin Information .....	105
Pledged Revenue Coverage .....	106
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics .....	107
Principal Employers .....	108
<b>Operating Information:</b>	
Full-Time Equivalent County Government Employees by Function.....	109
Operating Indicators by Function.....	110
Capital Asset Statistics by Function.....	111

# PAULDING COUNTY BOARD OF COMMISSIONER

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

December 5, 2018

Board of Commissioners and Citizens  
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2018, 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 87<sup>th</sup> county created in Georgia and was named after John Paulding, a soldier in the Revolutionary War. Paulding County's rich historical resources include a number of well-preserved Civil War memorials, including the New Hope Church that was the site of the 1864 battle between General Sherman and Confederate General Johnston. The County is located approximately 29 miles northwest of Atlanta. The County has a land area of 314 square miles and a population of approximately 159,445.

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

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

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

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

## **Local Economy**

The County's unemployment rate of 4.1% represents a slight decrease from last year and is identical to the State of Georgia rate of 4.1%. 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 78.5% and 10.7% of the families living below the poverty level, compared to State averages of 62.8% and 17.0%, respectively.

The County's rapid residential growth slowed substantially in 2008. However, in 2013 we began to see recovery signs and in 2018 growth is at pre-recession rates. Commercial construction, however, experienced a less intensive slow down compared to housing. A positive outlook for future growth of Paulding is the opening of the County's general aviation airport, the opening of the new WellStar Hospital, and completion of the film studio. In 2016 Paulding County began construction of the Richland Creek Reservoir. The County's transition from a bedroom community into a more self-sustaining community will present significant challenges for the County, as the demand for services will change. To meet the needs of these changes the County is exploring new methods of obtaining financial resources and providing higher quality and more efficient services at less cost. The County is in its first full year of a six-year special purpose local option sales tax (SPLOST) used to fund the construction and improvement

of roads, construction of recreational facilities, and public safety capital improvements. A new SPLOST referendum was approved by the voters in May 2016 and began collections in April 2017. Since 1988, the County's voters have supported seven consecutive referendums for a special purpose local option sales tax (SPLOST) for the County, as well as, seven consecutive similar referendums for the construction of schools.

### **Long-term financial planning**

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

*General Fund Balance.* The fund balance of the General Fund remained stable in 2018, as a result of conservative spending policies and budget control measures. The unassigned fund balance of \$52,535 represents 293 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 81% 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 is currently constructing a reservoir to provide water to Paulding County residents.

Under the provisions of GASB Statement Number 18, the County reports an accrual of \$3,911 for landfill closure and post closure care costs as of June 30, 2018. 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, 2018, the County had a number of debt issues outstanding. These issues included \$129,155 of general obligation bonds, and \$169,575 of revenue bonds. The County maintains an Aa1 rating from Moody's Investor Service and a AA rating from Standard and Poor's Rating Service on general obligation issues and for the revenue issues, an Aa3 from Moody's and AA stable from Standard and Poor's. Under current Georgia statutes, the County's general debt issuances are subject to legal limitation based on 10 percent of total assessed value of real and personal property. As of June 30, 2018, the County's net general obligation bonded debt of \$127,331 was well below the legal limit of \$415,219. General obligation debt per capita equaled \$799 (seven hundred and ninety-nine 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 5,500 feet. In 2015 the Airport Authority restriped the runway to take advantage of the full 6,000 feet of runway that was constructed in 2008. In 2014, the airport completed a taxiway widening project bringing the width of all taxiways to 50 feet. Due to increasing demand and limited availability of hanger space in the Atlanta Metropolitan Area, the planned Paulding Northwest Atlanta Airport has generated considerable interest in the aviation community. The first phase of hangers is completed and 100% of them are leased with a new 35,000 square foot hanger completed and ready and available for leasing. A fuel farm is now operational. This allows for aircraft to purchase fuel at the airport. The County's master plan for the area includes clustered, self-sustainable, high-tech living-working-

recreation development with a green focus. In 2010, a Fixed Base Operator (FBO) was selected, "Paulding Jet Center" and is currently operational.

To address the leisure and recreational needs of its family-focused community, the County has constructed five multipurpose parks. Also, the County has constructed two passive parks with walking trails along with the Silver Comet Trail to provide for recreation opportunities for all citizens.

To address the future water supply needs, the County is currently in the construction phase of the Richland Creek Reservoir project. Construction should be complete and Paulding County will be supplying water in 2021.

### **Relevant financial policies**

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

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

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

### **Major Initiatives**

*For the Year.* In preparing the 2018 budget, the County's staff, under specific directives from the governing authority, identified several major programs necessary to meet the citizens' needs for services and to safeguard the environment. These programs reflect the County's commitment to continued improvement in the quality of life for its citizens.

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

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

In 2016, the County completed the design phase of Richland Creek Reservoir and entered into the construction phase of the Reservoir. The 404 permit was issued by the Corp of Engineers in October 2015. Construction is well

underway in 2018, and the project is expected to be complete in 2021. This reservoir will allow Paulding County to provide its own water to the citizens of Paulding County.

Paulding County Industrial Building Authority completed the construction phase and entered into the operational phase of the film industry in 2012. The filming of the studios first feature length film "42" was completed in 2012. Since that time the Atlanta Film Studio has provided a home for the filming of Warner Bros "Vacation", "Fake Off" an AMC original TV series "Halt and Catch Fire" and other films such as "Office Christmas Party". A lease and purchase agreement is in final negotiations with a production company that is already in the facility. 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 for the development of business park(s), as well as other development in close proximity to the County's existing sewer infrastructure. The most notable business park is the 100 acre Class A Paulding Commerce Park. This site is capable of housing facilities up to 400,000 square feet. It is located off of Bill Carruth Parkway.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended June 30, 2017. This was the twenty-second, consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

Tabitha Pollard  
Finance Director

David L. Carmichael  
County Chairman



Government Finance Officers Association

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

Presented to

**Paulding County  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2018

---

BOARD OF COMMISSIONERS

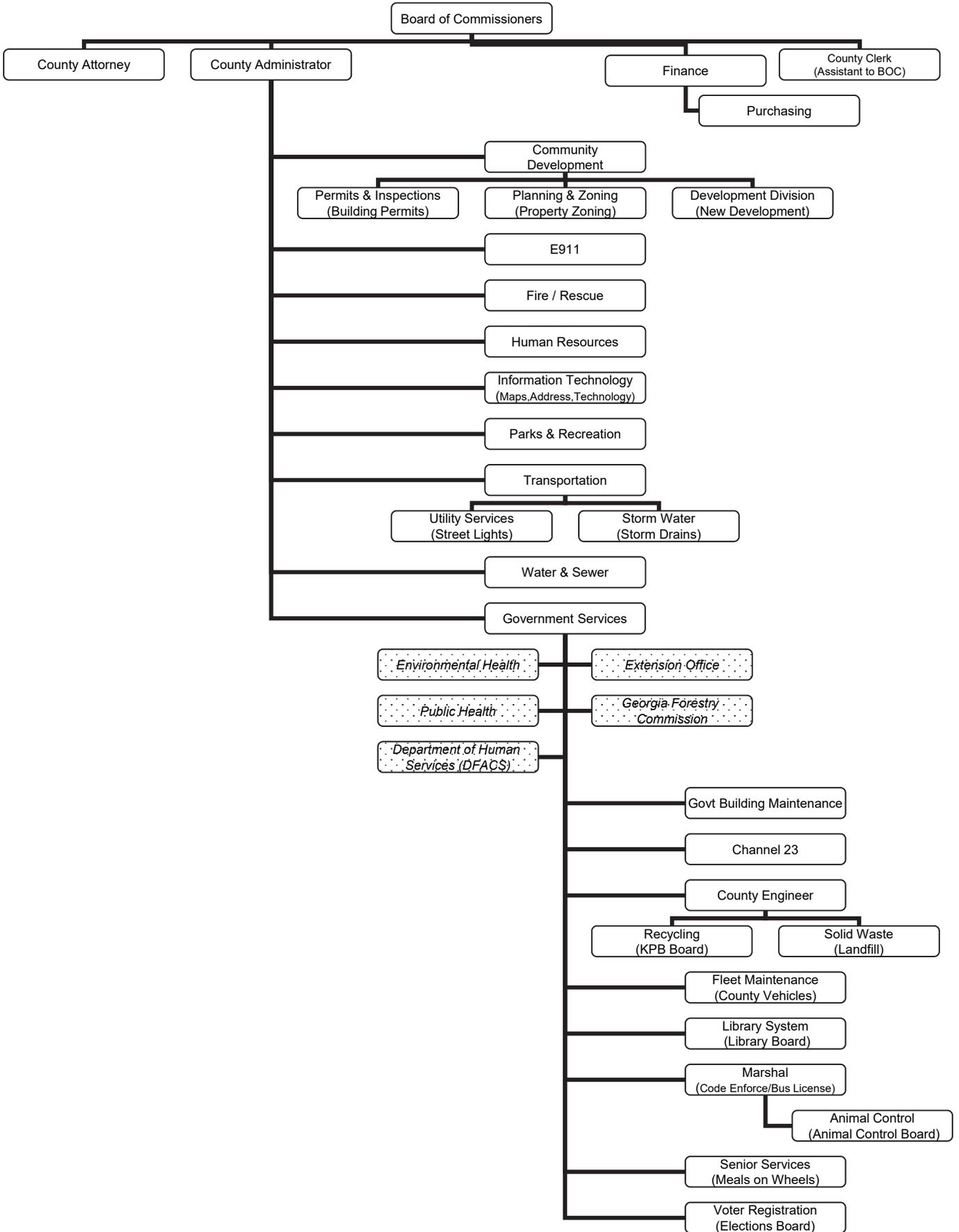
David Carmichael	Chairman
Ron D. Davis	Post 1
Todd Pownall	Post 2
Vernon Collett	Post 3
Tony Crowe	Post 4

---

OTHER ELECTED OFFICIALS

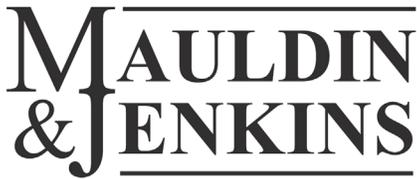
Clerk of Superior Court	Treva Shelton
District Attorney	Dick Donovan
Probate Judge	Deborah Anderson
Sheriff	Gary Gullede
Superior Court Judge	Tonny Beavers
Tax Commissioner	J. Bill Watson, III

# Paulding County, Georgia Organization Chart



## **FINANCIAL SECTION**

---



## INDEPENDENT AUDITOR'S REPORT

---

**Board of Commissioners  
of Paulding County, Georgia  
Dallas, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Paulding County, Georgia** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Paulding County, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Paulding County Board of Health, which represent 3.6 percent, negative 3.6 percent, and 60.2 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Paulding County Board of Health, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

---

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Paulding County, Georgia as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

---

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 13), the budgetary comparison information for the General Fund (on pages 67 and 68), the budgetary comparison information for the Fire Tax Fund (on page 69), the schedule of changes in the County's net pension liability and related ratios (on page 70), and the schedule of County contributions (on page 71) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Paulding County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

---

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018, on our consideration of Paulding County, Georgia’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



Atlanta, Georgia  
December 5, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

As management of Paulding County Government, we offer readers of Paulding County's financial statements this narrative overview and analysis of the financial activities of Paulding County for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv through viii of this report.

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

### Financial Highlights

- The assets and deferred outflows of resources of Paulding County exceeded its liabilities at June 30, 2018, by \$681,520 (net position), an increase of \$32,657 from the prior year. Of this amount, \$61,588 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2018, Paulding County's governmental funds reported combined ending fund balances of \$180,198, an increase of \$75,728 from the prior year. Approximately \$52,535 is available for spending at the government's discretion (unassigned fund balance).
- At the fiscal year end, unassigned fund balance for the General Fund was \$52,535, or 80 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net increased by \$68,254 from the prior year and the total general obligation long-term debt at June 30, 2018 was \$134,469, compared to a legal debt limit of \$415,219.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide the reader with a broad overview of Paulding County's financial position in a manner similar to private-sector business. These statements include the Statement of Net Position and the Statement of Activities and can be found on pages 14 and 15 of this report.

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

The Statement of Activities presents information showing how Paulding County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., for uncollected taxes and

earned but unused employee leave). Because the Statement of Activities separates program, or function revenue (revenue generated by specific functions through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a specific function), it shows to what extent each function must rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting which is similar to the method used by most private-sector enterprises. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flows. Items such as uncollected taxes, unpaid vendor invoices for items received during the fiscal year, and earned, but unused employee leave, are included in the Statement of Activities as revenues and expenses, even though the cash associated with these items was not received nor distributed during the fiscal year.

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

The government-wide financial statements can be found on pages 14 and 15 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Paulding County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Paulding County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for most or all of the County's tax-supported activities. Proprietary funds are used to account for the County's business-like activities, where all or a substantial portion of the costs of activities are supported by fees and charges paid directly by users of the services. Fiduciary funds are used to account for resources that are held by the County as a trustee or agent for parties outside of County government. The resources of the fiduciary funds cannot be used to support the County's own programs.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balance of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Paulding County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Fire Tax Fund, the SPLOST IV, the SPLOST V and the Capital Projects Fund all of which are considered to be major funds. Data from the remaining governmental funds are combined into

a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Paulding County adopts an annual appropriated budget for its governmental funds, with the exception of capital projects funds for which project-length budgets are adopted. Budgetary comparison statements for these funds have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Paulding County uses enterprise funds to account for its Water and Sewer System, Solid Waste operations and the Department of Family and Children's Services building.

The enterprise fund financial statements provide separate information for the Water and Sewer System which is to be considered a major fund of Paulding County. The other two enterprise funds of the County are aggregated into a single presentation in the basic proprietary fund financial statements. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report, on pages 86 through 88.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Paulding County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 23.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 24 through 66.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Paulding County's progress in funding its obligation to provide pension benefits and budgetary comparison information. Required supplementary information can be found on pages 67 through 71 of this report.

## **Government-wide Financial Analysis**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of the County's financial position. As of June 30, 2018, Paulding County's combined (government and business-type activities) assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$681,520. A significant portion of the County's net position, 78 percent, is its investment in capital assets (e.g., land, buildings, infrastructure, and equipment), less related outstanding debt that was used to acquire those assets. Because Paulding County uses these capital assets to provide services to its residents, these assets are not available for future spending. Although Paulding County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Paulding County's Net Position**

June 30,

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 190,343	\$ 116,014	\$ 142,005	\$ 205,125	\$ 332,348	\$ 321,139
Capital Assets	464,818	453,019	315,372	234,937	780,190	687,956
Total assets	<u>655,161</u>	<u>569,033</u>	<u>457,377</u>	<u>440,062</u>	<u>1,112,538</u>	<u>1,009,095</u>
Deferred outflows of resources	8,073	10,163	697	1,060	8,770	11,223
Long-term liabilities outstanding	161,349	96,311	245,025	250,116	406,374	346,427
Other liabilities	8,010	8,095	24,113	16,851	32,123	24,946
Total liabilities	<u>169,359</u>	<u>104,406</u>	<u>269,138</u>	<u>266,967</u>	<u>438,497</u>	<u>371,373</u>
Deferred inflow of resources	1,290	81,517	-	-	1,290	81,517
Net position:						
Net investment in capital assets	392,645	378,740	136,087	131,297	528,732	510,037
Restricted	46,140	44,813	45,061	33,702	91,201	78,515
Unrestricted	53,800	51,155	7,787	9,156	61,587	60,311
Total net position	<u>\$ 492,585</u>	<u>\$ 474,708</u>	<u>\$ 188,935</u>	<u>\$ 174,155</u>	<u>\$ 681,520</u>	<u>\$ 648,863</u>

An additional portion of the County's net position for governmental activities, \$46,140; and for business-type activities, \$45,061, represent resources that are subject to external restrictions on how they may be used. The governmental restricted resources for capital projects represent SPLOST funds for roads, recreation and public safety capital improvements, and certain judicial expenses or activities. Restricted for capital projects in the amount of \$28,528 for business-type activities is restricted to water and sewer system improvements and \$16,533 is restricted for debt service. The remaining balances of unrestricted net position, in the amount of \$53,800 for governmental activities, and \$7,787 for business-type activities is available for spending. The County's current water and sewer rate structure is established to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2018, Paulding County Governmental Activities and Business-Type Activities are able to report positive balances in all categories of net position.

Paulding County's property taxes increased \$6,648 a 13% increase from the prior year. Sales and other taxes increased by \$3,152 or about 7% from last year. Approximately 27% of the County's total revenue from governmental activities came from sales tax and 47% from property tax. Charges for goods and services provided about 11 % of governmental revenue.

The County's largest expense is for Public Safety at \$38,811, or 39% of total governmental expenses. Public Safety expense increased due to increased personnel cost. The 2<sup>nd</sup> largest expense is for Public Works at \$22,481, or 23% of total governmental expenses.

## Paulding County's Changes in Net Position

For the year ended June 30,

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 13,682	\$ 13,257	\$ 37,737	\$ 36,283	\$ 51,419	\$ 49,540
Operating grants and contributions	563	331	-	-	563	331
Capital grants and contributions	3,361	17,057	13,046	8,402	16,407	25,459
General Revenues:						
Property taxes	54,688	48,040	-	-	54,688	48,040
Other taxes	43,917	40,765	-	-	43,917	40,765
Other	961	1,691	1,648	90	2,609	1,781
Total Revenues	<u>117,172</u>	<u>121,141</u>	<u>52,431</u>	<u>44,775</u>	<u>169,603</u>	<u>165,916</u>
Expenses:						
General government	16,929	16,901	-	-	16,929	16,901
Judicial	6,439	5,892	-	-	6,439	5,892
Public safety	38,811	37,680	-	-	38,811	37,680
Public works	22,481	19,507	-	-	22,481	19,507
Culture and recreation	4,930	4,298	-	-	4,930	4,298
Health and welfare	1,131	1,112	-	-	1,131	1,112
Housing and development	3,093	2,840	-	-	3,093	2,840
Interest on long-term debt	4,731	2,511	-	-	4,731	2,511
Water and sewer	-	-	36,942	31,640	36,942	31,640
Other programs	-	-	1,459	1,692	1,459	1,692
Total Expenses	<u>98,545</u>	<u>90,741</u>	<u>38,401</u>	<u>33,332</u>	<u>136,946</u>	<u>124,073</u>
Increase in net position before transfers	<u>18,627</u>	<u>30,400</u>	<u>14,030</u>	<u>11,443</u>	<u>32,657</u>	<u>41,843</u>
Transfers	<u>(750)</u>	<u>(200)</u>	<u>750</u>	<u>200</u>	<u>-</u>	<u>-</u>
Change in net position	17,877	30,200	14,780	11,643	32,657	41,843
Net position-beginning	474,708	444,508	174,155	162,512	648,863	607,020
Net position ending	<u>\$ 492,585</u>	<u>\$ 474,708</u>	<u>\$ 188,935</u>	<u>\$ 174,155</u>	<u>\$ 681,520</u>	<u>\$ 648,863</u>

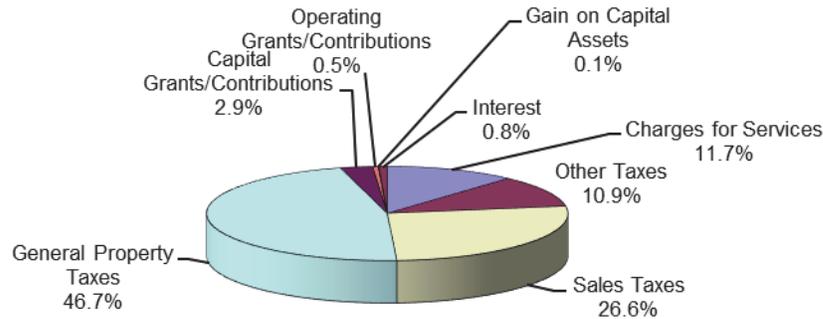
**Governmental Activities Revenues**

The County relies heavily on property taxes to support the governmental operations. Property taxes provided 47% of total revenues as compared to 40% in 2017. While the other tax collections increased by \$3,152 which consists of a number of small taxes as well as larger revenue sources such as sales tax which had an increase of \$2,368 as well as insurance premium tax which had an increase of \$502.

Charges for services increased by approximately 3%. Some functions of governmental activities Charges for Services increased while others declined in 2018. The housing and development increased significantly primarily due to increased permit and engineering fees. Operating grants increased due to additional funding to the court system from the State of GA.

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

**Revenues by Source for Governmental Activities**



**Governmental Activities Expenses**

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

<b>Governmental Activities</b>				
	<b>Total Cost of Services</b>	<b>Percentage of Total</b>	<b>Net Cost of Services</b>	<b>Percentage of Total</b>
General Government	\$ 16,929	17.2%	\$ 14,061	17.4%
Judicial	6,439	6.5%	3,324	4.1%
Public Safety	38,811	39.4%	34,780	43.0%
Public Works	22,481	22.8%	18,137	22.4%
Culture and Recreation	4,930	5.0%	4,290	5.3%
Health & Welfare	1,131	1.1%	1,103	1.4%
Housing & Development	3,093	3.1%	514	0.6%
Interest on LT Debt	4,731	4.8%	4,731	5.8%
<b>Total</b>	<b>\$ 98,545</b>	<b>100%</b>	<b>\$ 80,940</b>	<b>100.0%</b>

## **Business Type Activities**

Business type activities consist of water and sewer system, solid waste as well as the rental of space to the State of Georgia to provide office space to the Department of Children's Services. The increase to charges and services is primarily due to the increase in water and sewer fees. The solid waste fund revenues decreased by \$422; however, the operating expenses for solid waste also decreased by \$228. This reduction in revenue and expenditures is primarily related to a reduction of traffic flow from out of County customers due to a rate increase imposed on out of county customers. The solid waste funds long term liabilities of \$3,911 allow for closure and post-closure care costs.

## **Financial Analysis of the Government's Funds**

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

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

Paulding County ended the 2018 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is \$180,198. Of that amount, fund balances in the County's five major funds are \$64,462 in the General Fund, \$11,670 in the Fire Tax, \$8,242 in SPLOST IV, \$16,873 in SPLOST V and \$68,294 in Capital Projects. Approximately 29 percent of total governmental fund balances, \$52,535 in the General is unassigned and available for spending in the coming year. The assigned fund balance is not available for new spending rather it is assigned to 2018 outstanding encumbrances in the amount of \$5,245, future landfill closure cost in the amount of \$1,425, obligated to the 2019 adopted budget in the amount of \$1,980, replace the water system administration building in the amount of \$1,000 and assigned to Library in the amount of \$17. The committed fund balance is in the Sheriff Commissary fund and the Sheriff committed the funds to be used for the inmates. The remainder of fund balance is restricted or nonspendable in nature. The nonspendable amount of \$710 indicates that it is not available for new spending because it is related to nonspendable assets. The restricted fund balances are used 1) to pay debt service (\$7,138); and 2) for other restricted purposes (\$14,988). The \$68,294 fund balance in the Capital Projects Fund will be spent to construct the new adult detention facility. The \$25,115 fund balance in SPLOST IV and V will be spent to construct a major County park facility, a fire station and other public safety facilities, as well as road improvements.

The General Fund is the primary operating fund of Paulding County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$52,535, while total fund balance was \$64,462. As a measure of the County's liquidity, it may be useful to compare both the unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 80% of total General Fund expenditures, while total fund balance represents 99% of that same amount.

The fund balance of the General Fund increased by \$4,567. While operational revenues increased as well as tax revenue, expenditures remained lower due to the reduction measures imposed over the past few years. Changes in revenue for all governmental funds from the prior year are as follows:

- Total revenue increased by \$8,544 from the prior year.

- Property tax revenue increased by \$4,787 as a result of an increase in residential property values as well as an increase to the millage rate along with the imposition of the motor vehicle ad valorem tax, while the local option sales tax increased by \$1,097.
- Charges for services decreased by \$74, as a result of a decrease in Sheriff and court fees.

The fund balance of the Fire Tax Fund increased by \$2,288. The Fire Tax Fund is primarily funded with property tax, and therefore the increase in property values has resulted in an increase in revenues.

SPLOST IV, SPLOST V and Capital Projects funds are all used to account for Capital Projects. The fund balance of SPLOST IV has decreased by \$13,455. The SPLOST V sales tax collections began in March 2017 and had an increase in fund balance of \$13,414. The Capital Projects fund accounts for projects funded by sources other than SPLOST revenues. The increase in the Capital Projects fund balance in the amount of \$68,165 is primarily due to a bonds issued to construct the Law Enforcement and Adult Detention Facility. These general obligation bonds were issued in November 2017.

### **Proprietary Funds**

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

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

The largest, and only major Enterprise Fund is the Water and Sewer Fund. Total operating revenue from the Water and Sewer System for 2018 was \$35,164 representing an increase of 5% from 2017. The County, along with other metro counties subsequently implemented a rate increase to offset the 7% increase in expenses. The cost of the County's water purchased increased 4% from 2017. This increase was due to an increase passed on to the County by the County's supplier Cobb County Marietta Water Authority.

### **General Fund Budgetary Highlights**

The legal level of control (the level at which expenditures cannot legally exceed appropriations) is at the department level. The County's primary budgeted fund is the General Fund. The Board of Commissioners is required to adopt the County's budget at their first regular meeting each August. The General Fund Budget was amended during the year for an increase in appropriations of \$3,557. The most notable expenditure amendments are as follows:

- General Government decreased by \$1,881 due to all salary increases being budgeted in general government non-department, but charged out by function/department as incurred.
- Public Works increased by \$2,809 due to an increase in road construction projects
- Transfer out to Capital Projects fund to purchase the additional land to house the Adult Detention Facility

Property values increased again in 2018, the millage rate was increased to balance the amount needed to fund expenditures. Taxes other than property taxes increased by 8% with a sales tax increase of \$2,241. Total tax revenue increased by \$6,298. At June 30, 2018, General Fund revenues exceeded estimates by \$2,060, and expenditures were \$3,118 less than budget. The General Funds fund balance increased by \$4,567.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2018. Expenditures were evaluated throughout the year. Actual expenditures were less than budget in all functions.

### **Capital Assets and Debt Administration**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$780,189 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, machinery and equipment, and construction in progress.

The total increase in Paulding County's investment in capital assets for the current fiscal year was 13 percent. Additional information on Paulding County's capital assets can be found in note 5 on pages 40 through 44 of this report.

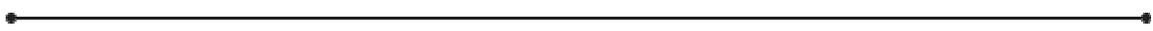
Long-term debt: At June 30, 2018, Paulding County had a total of \$312,924 in outstanding bonded debt. That amount represents \$134,469 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and \$178,455 in Water and Sewer Revenue Bonds. The County also had five Georgia Environmental Finance Authority loans totaling \$59,271. These loans funded capital projects including water reuse lines (\$477), and the remaining loans (\$58,794) were for the construction of the reservoir. More information about these debts can be found on page 50. The County has entered into intergovernmental agreements with the Industrial Building Authority as well as the Airport Authority and report an intergovernmental payable of \$13,855. Information about the intergovernmental payable can be found on page 48 for the Governmental Activities and page 52 for the Business-type activities.

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

Additional information on the County's long-term debt can be found in note 7 on pages 46 through 58.

### **Economic Factors and Next year's Budgets and Rates**

- The unemployment rate for Paulding County was down slightly from last year, at 4.1%. This rate compared to the state's rate of 4.1%.
- For the tax year 2017, the County's total tax digest increased by \$383,118 or 10%. Paulding County has sustained the millage rate to result in a tax increase.
- Paulding County's general purpose Local Option Sales Tax enabled the County to rollback its property tax rate by 3.12 mills for the 2017 tax year.



### **Requests for Information**

This financial report is designed to provide a general overview of Paulding County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial should be addressed to Paulding County Finance Department, 240 Constitution Boulevard, Dallas, Georgia 30132.

**PAULDING COUNTY, GEORGIA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2018**

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
Cash and cash equivalents	\$ 128,940,255	\$ 14,665,136	\$ 143,605,391	\$ 1,213,743	\$ 1,115,377	\$ 180,233
Intergovernmental receivables	1,368,171	-	1,368,171	195,046	-	-
Taxes receivable	2,072,244	-	2,072,244	-	-	-
Internal balances	2,519,840	(2,519,840)	-	-	-	-
Other receivables	886,556	5,006,899	5,893,455	10	170,874	168,640
Due from component units	3,496,795	-	3,496,795	-	1,110,000	-
Due from primary government	-	-	-	-	12,180,000	1,675,305
Inventory	-	359,691	359,691	36,506	-	-
Prepays	709,604	-	709,604	-	24,500	18,683
Restricted cash and cash equivalents	-	51,627,012	51,627,012	-	-	-
Restricted investments	50,349,774	72,852,314	123,202,088	-	-	-
Land held for development	-	-	-	-	3,738,508	-
Other assets	-	-	-	-	-	325
Prepaid bond insurance	-	14,104	14,104	-	-	-
Capital assets, nondepreciable	77,371,343	169,948,822	247,320,165	-	752,626	5,748,223
Capital assets, depreciable, net of accumulated depreciation	387,446,277	145,422,990	532,869,267	3,192	5,713,419	5,686,050
<b>Total assets</b>	<b>655,160,859</b>	<b>457,377,128</b>	<b>1,112,537,987</b>	<b>1,448,497</b>	<b>24,805,304</b>	<b>13,477,459</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charges on refunding	3,589,964	696,572	4,286,536	-	49,669	-
OPEB related items	-	-	-	173,068	-	-
Pension related items	4,482,782	-	4,482,782	220,994	-	-
<b>Total deferred outflows of resources</b>	<b>8,072,746</b>	<b>696,572</b>	<b>8,769,318</b>	<b>394,062</b>	<b>49,669</b>	<b>-</b>
<b>LIABILITIES</b>						
Accounts payable	3,672,000	2,245,533	5,917,533	266	3,467	26,315
Accrued liabilities	4,337,913	489,912	4,827,825	-	177,398	16,404
Due to primary government	-	-	-	-	3,496,795	-
Intergovernmental payables	-	-	-	63,438	-	-
Construction contracts payable	-	9,107,993	9,107,993	-	-	-
Retainage payable	-	8,115,713	8,115,713	-	-	-
Customer deposits payable	-	3,140,884	3,140,884	-	-	1,125
Unearned revenue	-	1,012,954	1,012,954	-	-	-
Noncurrent liabilities due within one year						
Intergovernmental payable - component units	1,135,000	450,000	1,585,000	-	-	55,000
Compensated absences payable	3,096,381	310,306	3,406,687	-	-	-
Note payable	-	294,790	294,790	-	-	14,508
Landfill closure and postclosure	-	615,000	615,000	-	-	-
Bonds payable	5,755,000	3,940,000	9,695,000	-	1,435,000	350,000
Noncurrent liabilities due in more than one year						
Intergovernmental payable - component units	9,775,305	2,495,000	12,270,305	-	-	1,055,000
Compensated absences payable	1,327,021	132,988	1,460,009	46,844	-	-
Note payable	-	58,976,332	58,976,332	-	-	75,599
Landfill closure and postclosure	-	3,296,149	3,296,149	-	-	-
Bonds payable	128,713,727	174,514,859	303,228,586	-	12,056,236	1,325,305
Due to Silver Comet Terminal Partnership	-	-	-	-	-	360,000
Net OPEB liability	-	-	-	1,071,761	-	-
Net pension liability	11,546,703	-	11,546,703	1,183,351	-	-
<b>Total liabilities</b>	<b>169,359,050</b>	<b>269,138,413</b>	<b>438,497,463</b>	<b>2,365,660</b>	<b>17,168,896</b>	<b>3,279,256</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
OPEB related items	-	-	-	88,318	-	-
Pension related items	1,289,567	-	1,289,567	6,513	-	-
<b>Total deferred inflows of resources</b>	<b>1,289,567</b>	<b>-</b>	<b>1,289,567</b>	<b>94,831</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net investment in capital assets	392,644,584	136,086,515	528,731,099	3,192	6,466,045	8,198,861
Restricted for:						
Judicial services	823,720	-	823,720	-	-	-
Public safety services	14,297,487	-	14,297,487	-	-	-
Debt service	7,226,811	16,533,483	23,760,294	-	-	-
Capital projects	23,792,067	28,527,820	52,319,887	-	-	-
Unrestricted	53,800,319	7,787,469	61,587,788	(621,124)	1,220,032	1,999,342
<b>Total net position</b>	<b>\$ 492,584,988</b>	<b>\$ 188,935,287</b>	<b>\$ 681,520,275</b>	<b>\$ (617,932)</b>	<b>\$ 7,686,077</b>	<b>\$ 10,198,203</b>

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

**PAULDING COUNTY, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 16,929,301	\$ 2,868,199	\$ -	\$ -
Judicial	6,439,003	2,714,496	400,884	-
Public safety	38,810,813	3,853,697	86,215	91,180
Public works	22,481,048	1,282,100	70,206	2,992,091
Health and welfare	1,131,064	22,450	5,600	-
Culture and recreation	4,930,312	594,729	-	45,111
Housing and development	3,093,355	2,346,564	-	232,622
Interest on long-term debt	4,730,793	-	-	-
Total governmental activities	<u>98,545,689</u>	<u>13,682,235</u>	<u>562,905</u>	<u>3,361,004</u>
Business-type activities:				
Water and sewer	36,941,935	36,278,944	-	13,046,445
DFACS building	82,235	343,094	-	-
Solid waste	1,377,194	1,114,735	-	-
Total business-type activities	<u>38,401,364</u>	<u>37,736,773</u>	<u>-</u>	<u>13,046,445</u>
Total primary government	<u>\$ 136,947,053</u>	<u>\$ 51,419,008</u>	<u>\$ 562,905</u>	<u>\$ 16,407,449</u>
<b>Component units:</b>				
Board of Health	\$ 1,762,708	\$ 777,903	\$ 1,045,932	\$ -
Industrial Building Authority	3,574,369	1,342	-	483,461
Airport Authority	916,001	140,642	325,000	194,666
Total component units	<u>\$ 6,253,078</u>	<u>\$ 919,887</u>	<u>\$ 1,370,932</u>	<u>\$ 678,127</u>

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Property taxes, levied for fire services
- Intangible recording taxes
- Local option sales taxes
- Special purpose local option sales taxes
- Insurance premium taxes
- Alcoholic beverage taxes
- Cable TV franchise taxes
- Real estate transfer taxes
- Business taxes
- Unrestricted investment earnings
- Gain on sale of capital assets
- Other income
- Grants not restricted to specific programs

Transfers

- Total general revenues and transfers
- Change in net position
- Net position, beginning of year, as restated
- Net position, end of year

The accompanying notes are an integral part of these financial statements

**Net (Expense) Revenue and  
Changes in Net Position**

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
\$ (14,061,102)	\$ -	\$ (14,061,102)	\$ -	\$ -	\$ -
(3,323,623)	-	(3,323,623)	-	-	-
(34,779,721)	-	(34,779,721)	-	-	-
(18,136,651)	-	(18,136,651)	-	-	-
(1,103,014)	-	(1,103,014)	-	-	-
(4,290,472)	-	(4,290,472)	-	-	-
(514,169)	-	(514,169)	-	-	-
(4,730,793)	-	(4,730,793)	-	-	-
<u>(80,939,545)</u>	<u>-</u>	<u>(80,939,545)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	12,383,454	12,383,454	-	-	-
-	260,859	260,859	-	-	-
-	(262,459)	(262,459)	-	-	-
<u>-</u>	<u>12,381,854</u>	<u>12,381,854</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>(80,939,545)</u>	\$ <u>12,381,854</u>	\$ <u>(68,557,691)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ 61,127	\$ -	\$ -
-	-	-	-	(3,089,566)	-
-	-	-	-	-	(255,693)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,127</u>	<u>\$ (3,089,566)</u>	<u>\$ (255,693)</u>
\$ 32,189,827	\$ -	\$ 32,189,827	\$ -	\$ -	\$ -
9,184,256	-	9,184,256	-	-	-
13,314,305	-	13,314,305	-	-	-
1,600,911	-	1,600,911	-	-	-
14,348,628	-	14,348,628	-	-	-
16,781,606	-	16,781,606	-	-	-
7,593,509	-	7,593,509	-	-	-
848,245	-	848,245	-	-	-
1,578,821	-	1,578,821	-	-	-
547,278	-	547,278	-	-	-
618,233	-	618,233	-	-	-
892,488	1,648,345	2,540,833	485	779	-
68,162	-	68,162	-	-	-
-	-	-	33	-	-
-	-	-	342,300	285,362	-
<u>(750,000)</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>98,816,269</u>	<u>2,398,345</u>	<u>101,214,614</u>	<u>342,818</u>	<u>286,141</u>	<u>-</u>
17,876,724	14,780,199	32,656,923	403,945	(2,803,425)	(255,693)
474,708,264	174,155,088	648,863,352	(1,021,877)	10,489,502	10,453,896
<u>\$ 492,584,988</u>	<u>\$ 188,935,287</u>	<u>\$ 681,520,275</u>	<u>\$ (617,932)</u>	<u>\$ 7,686,077</u>	<u>\$ 10,198,203</u>

**PAULDING COUNTY, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

<b>ASSETS</b>	<b>General</b>	<b>Fire Tax</b>	<b>SPLOST IV</b>	<b>SPLOST V</b>
Cash and cash equivalents	\$ 58,390,841	\$ 13,350,092	\$ 9,776,844	\$ 17,021,496
Accounts receivable	501,987	724	-	-
Taxes receivable	346,746	154,163	-	1,462,358
Intergovernmental receivables	1,368,171	-	-	-
Due from other funds	7,756,213	-	-	-
Prepaid items	709,604	-	-	-
Investments	-	-	-	-
<b>Total assets</b>	<b>\$ 69,073,562</b>	<b>\$ 13,504,979</b>	<b>\$ 9,776,844</b>	<b>\$ 18,483,854</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 745,674	\$ 35,201	\$ 660,997	\$ 1,078,649
Other accrued liabilities	2,450,576	-	-	-
Due to other funds	22,064	1,666,277	874,175	532,360
Advances from other funds	1,089,677	-	-	-
<b>Total liabilities</b>	<b>4,307,991</b>	<b>1,701,478</b>	<b>1,535,172</b>	<b>1,611,009</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	303,776	133,385	-	-
<b>Total deferred inflows of resources</b>	<b>303,776</b>	<b>133,385</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Fund balances:				
Nonspendable:				
Prepays	709,604	-	-	-
Restricted:				
Judicial services	-	-	-	-
Public safety services	-	11,670,116	-	-
Capital projects	-	-	8,241,672	16,872,845
Debt service	-	-	-	-
Committed:				
Commissary purchases	-	-	-	-
Assigned:				
Use of reserves in subsequent budget	1,980,369	-	-	-
Infrastructure maintenance	3,902,500	-	-	-
Capital projects	1,000,000	-	-	-
Developer infrastructure projects	1,548,504	-	-	-
State agency facilities	1,000,000	-	-	-
Supplies	342,910	-	-	-
Library	17,711	-	-	-
Landfill cost of closure	1,425,000	-	-	-
Unassigned	52,535,197	-	-	-
<b>Total fund balances</b>	<b>64,461,795</b>	<b>11,670,116</b>	<b>8,241,672</b>	<b>16,872,845</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 69,073,562</b>	<b>\$ 13,504,979</b>	<b>\$ 9,776,844</b>	<b>\$ 18,483,854</b>

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

<u>Capital Projects</u>	<b>Nonmajor Governmental</b>	
	<u>Funds</u>	<u>Total</u>
\$ 19,634,231	\$ 10,766,751	\$ 128,940,255
-	383,845	886,556
-	108,977	2,072,244
-	-	1,368,171
-	22,064	7,778,277
-	-	709,604
<u>50,349,774</u>	<u>-</u>	<u>50,349,774</u>
<u>\$ 69,984,005</u>	<u>\$ 11,281,637</u>	<u>\$ 192,104,881</u>
\$ 1,050,831	\$ 100,648	\$ 3,672,000
-	-	2,450,576
639,592	434,292	4,168,760
-	-	1,089,677
<u>1,690,423</u>	<u>534,940</u>	<u>11,381,013</u>
-	88,607	525,768
-	88,607	525,768
-	-	709,604
-	823,720	823,720
-	2,493,986	14,164,102
68,293,582	-	93,408,099
-	7,138,204	7,138,204
-	202,180	202,180
-	-	1,980,369
-	-	3,902,500
-	-	1,000,000
-	-	1,548,504
-	-	1,000,000
-	-	342,910
-	-	17,711
-	-	1,425,000
-	-	52,535,197
<u>68,293,582</u>	<u>10,658,090</u>	<u>180,198,100</u>
<u>\$ 69,984,005</u>	<u>\$ 11,281,637</u>	<u>\$ 192,104,881</u>

**PAULDING COUNTY, GEORGIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

---

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

Total fund balances - governmental funds		\$ 180,198,100
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	\$ 653,906,110	
Less accumulated depreciation	<u>(189,088,490)</u>	464,817,620
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	<u>\$ 525,768</u>	525,768
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$ (129,155,000)	
Bond Premium	(5,313,727)	
Unamortized deferred charge on refunding	3,589,964	
Accrued interest	(1,887,337)	
Intergovernmental payable	(10,910,305)	
Compensated absences payable	<u>(4,423,402)</u>	(148,099,807)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the County's pension plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the funds.		
Net pension liability	\$ (11,546,703)	
Pension related deferred outflows of resources	4,482,782	
Pension related deferred inflows of resources	<u>(1,289,567)</u>	(8,353,488)
Debt payments are currently being paid by the County on behalf of a component unit. These payments will be repaid to the County by the component unit in a future period.		<u>3,496,795</u>
Total net position - governmental activities		<u>\$ 492,584,988</u>

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

**PAULDING COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Fire Tax</u>	<u>SPLOST IV</u>	<u>SPLOST V</u>
<b>Revenues:</b>				
Taxes	\$ 59,176,065	\$ 13,703,020	\$ -	\$ 16,781,606
Licenses and permits	1,717,322	7,375	-	-
Intergovernmental	2,571,242	42,759	-	-
Fines and forfeitures	1,134,793	-	-	-
Charges for services	6,977,138	-	-	-
Interest income	542,034	115,495	212,402	14,619
Contributions	47,928	-	5,960	-
Miscellaneous	559,681	-	-	-
Total revenues	<u>72,726,203</u>	<u>13,868,649</u>	<u>218,362</u>	<u>16,796,225</u>
<b>Expenditures:</b>				
Current:				
General government	12,485,009	-	-	-
Judicial	6,156,401	-	-	-
Public safety	23,010,358	11,580,771	-	-
Public works	16,520,504	-	-	11,564
Health and welfare	1,107,254	-	-	-
Culture and recreation	4,098,989	-	-	-
Housing and development	2,047,652	-	-	-
Intergovernmental	-	-	-	2,181,169
Capital outlay	-	-	13,673,564	1,499,449
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>65,426,167</u>	<u>11,580,771</u>	<u>13,673,564</u>	<u>3,692,182</u>
Excess (deficiency) of revenues over expenditures	7,300,036	2,287,878	(13,455,202)	13,104,043
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	217,451	-	-	310,000
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(2,950,000)	-	-	-
Total other financing sources (uses)	<u>(2,732,549)</u>	<u>-</u>	<u>-</u>	<u>310,000</u>
Net change in fund balances	4,567,487	2,287,878	(13,455,202)	13,414,043
<b>Fund balances, beginning of year</b>	<u>59,894,308</u>	<u>9,382,238</u>	<u>21,696,874</u>	<u>3,458,802</u>
<b>Fund balances, end of year</b>	<u>\$ 64,461,795</u>	<u>\$ 11,670,116</u>	<u>\$ 8,241,672</u>	<u>\$ 16,872,845</u>

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

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 9,468,403	\$ 99,129,094
-	-	1,724,697
229,443	-	2,843,444
-	258,203	1,392,996
-	2,979,163	9,956,301
230,003	4,956	1,119,509
-	-	53,888
-	-	559,681
<u>459,446</u>	<u>12,710,725</u>	<u>116,779,610</u>
-	-	12,485,009
-	288,489	6,444,890
-	3,243,526	37,834,655
-	-	16,532,068
-	-	1,107,254
-	-	4,098,989
-	-	2,047,652
-	231,557	2,412,726
6,494,562	-	21,667,575
-	5,555,000	5,555,000
-	2,643,073	2,643,073
770,580	-	770,580
<u>7,265,142</u>	<u>11,961,645</u>	<u>113,599,471</u>
(6,805,696)	749,080	3,180,139
-	-	527,451
67,385,000	-	67,385,000
5,385,580	-	5,385,580
2,200,000	-	2,200,000
-	-	(2,950,000)
<u>74,970,580</u>	<u>-</u>	<u>72,548,031</u>
68,164,884	749,080	75,728,170
128,698	9,909,010	104,469,930
<u>\$ 68,293,582</u>	<u>\$ 10,658,090</u>	<u>\$ 180,198,100</u>

**PAULDING COUNTY, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

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

Net change in fund balances - total governmental funds	\$	75,728,170
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	\$	26,747,646
Depreciation expense		<u>(15,337,569)</u>
		11,410,077
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Sale of capital assets		(459,289)
Donated assets		848,116
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(523,475)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	\$	(67,385,000)
Premium on bonds issued		(5,385,580)
Principal payments - bonds and intergovernmental payable		<u>5,555,000</u>
		(67,215,580)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of bond premium	\$	71,853
Amortization of deferred charges on refunding		(366,940)
Change in compensated absences		(432,580)
Change in accrued interest		(1,022,053)
Pension expense		<u>(393,132)</u>
		(2,142,852)
Debt payments are currently being made on behalf of a component unit. The funds paid out will be repaid to the County in future periods. These debt payments are expenditures in the governmental fund statements, but a receivable is recorded on the government wide statements.		
		<u>231,557</u>
Change in net position - governmental activities	\$	<u><u>17,876,724</u></u>

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

# PAULDING COUNTY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 13,468,949	\$ 1,196,187	\$ 14,665,136
Receivables	4,942,515	64,384	5,006,899
Inventory	359,691	-	359,691
Restricted assets:			
Cash	51,627,012	-	51,627,012
Investments	72,852,314	-	72,852,314
Total current assets	143,250,481	1,260,571	144,511,052
Noncurrent assets:			
Advances to other funds	-	1,089,677	1,089,677
Prepaid bond insurance	14,104	-	14,104
Capital assets:			
Capital assets, not being depreciated	169,336,589	612,233	169,948,822
Capital assets, being depreciated	227,441,873	5,719,986	233,161,859
Less accumulated depreciation	(84,439,934)	(3,298,935)	(87,738,869)
Total capital assets, net of accumulated depreciation	312,338,528	3,033,284	315,371,812
Total noncurrent assets	312,352,632	4,122,961	316,475,593
Total assets	455,603,113	5,383,532	460,986,645
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	696,572	-	696,572
Total deferred outflows of resources	696,572	-	696,572
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,212,901	32,632	2,245,533
Accrued expenses	489,912	-	489,912
Construction contracts payable	9,107,993	-	9,107,993
Retainage payable	8,115,713	-	8,115,713
Customer deposits payable	3,140,884	-	3,140,884
Due to other funds	3,602,201	7,316	3,609,517
Due to Industrial Building Authority	450,000	-	450,000
Unearned revenue	1,012,954	-	1,012,954
Compensated absences, current	288,161	22,145	310,306
Notes payable, current	294,790	-	294,790
Landfill closure and postclosure, current	-	615,000	615,000
Revenue bonds payable, current	3,940,000	-	3,940,000
Total current liabilities	32,655,509	677,093	33,332,602
Long-term liabilities:			
Due to Industrial Building Authority	2,495,000	-	2,495,000
Compensated absences	123,498	9,490	132,988
Notes payable	58,976,332	-	58,976,332
Landfill closure and postclosure	-	3,296,149	3,296,149
Revenue bonds payable	174,514,859	-	174,514,859
Total long-term liabilities	236,109,689	3,305,639	239,415,328
Total liabilities	268,765,198	3,982,732	272,747,930
<b>NET POSITION</b>			
Net investment in capital assets	133,053,231	3,033,284	136,086,515
Restricted:			
Debt Service	16,533,483	-	16,533,483
Capital Projects	28,527,820	-	28,527,820
Unrestricted	9,419,953	(1,632,484)	7,787,469
Total net position	\$ 187,534,487	\$ 1,400,800	\$ 188,935,287

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

**PAULDING COUNTY, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Water &amp; Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 33,383,134	\$ -	\$ 33,383,134
Penalties	683,151	-	683,151
Miscellaneous revenues	1,097,304	-	1,097,304
Landfill and recycling fees	-	1,114,735	1,114,735
Lease income	-	343,094	343,094
Total operating revenues	<u>35,163,589</u>	<u>1,457,829</u>	<u>36,621,418</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	4,430,686	343,412	4,774,098
Other operating expenses	7,237,007	959,856	8,196,863
Depreciation expense	5,990,866	156,161	6,147,027
Water purchases	13,665,647	-	13,665,647
Total operating expenses	<u>31,324,206</u>	<u>1,459,429</u>	<u>32,783,635</u>
Operating income	3,839,383	(1,600)	3,837,783
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Line maintenance fees	1,105,055	-	1,105,055
Interest income	1,648,345	-	1,648,345
Rent	10,300	-	10,300
Interest expense	(5,617,729)	-	(5,617,729)
Total nonoperating revenues (expenses)	<u>(2,854,029)</u>	<u>-</u>	<u>(2,854,029)</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>			
	985,354	(1,600)	983,754
Capital contributions	13,046,445	-	13,046,445
Transfers in	-	750,000	750,000
Total capital contributions and transfers	<u>13,046,445</u>	<u>750,000</u>	<u>13,796,445</u>
Change in net position	14,031,799	748,400	14,780,199
<b>NET POSITION, beginning of year</b>	<u>173,502,688</u>	<u>652,400</u>	<u>174,155,088</u>
<b>NET POSITION, end of year</b>	<u>\$ 187,534,487</u>	<u>\$ 1,400,800</u>	<u>\$ 188,935,287</u>

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

**PAULDING COUNTY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 38,057,432	\$ 1,468,767	\$ 39,526,199
Payments to suppliers and service providers	(25,028,597)	(1,033,091)	(26,061,688)
Payments to employees	(4,397,467)	(340,144)	(4,737,611)
Net cash provided by operating activities	<u>8,631,368</u>	<u>95,532</u>	<u>8,726,900</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments	72,115,196	-	72,115,196
Interest received	1,648,345	-	1,648,345
Net cash provided by investing activities	<u>73,763,541</u>	<u>-</u>	<u>73,763,541</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(74,421,886)	(502,438)	(74,924,324)
Principal payments on notes	(285,755)	-	(285,755)
Principal payments on bonds	(3,820,000)	-	(3,820,000)
Principal payments on intergovernmental payables	(450,000)	-	(450,000)
Interest and fiscal charges paid	(6,027,629)	-	(6,027,629)
Line maintenance fees received	1,105,055	-	1,105,055
Capital contributions received	9,844,611	-	9,844,611
Net cash used in capital and related financing activities	<u>(74,055,604)</u>	<u>(502,438)</u>	<u>(74,558,042)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Rental income	10,300	-	10,300
Transfers in	-	750,000	750,000
Net cash provided by noncapital financing activities	<u>10,300</u>	<u>750,000</u>	<u>760,300</u>
Net increase in cash and cash equivalents	8,349,605	343,094	8,692,699
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>56,746,356</u>	<u>853,093</u>	<u>57,599,449</u>
End of year	<u>\$ 65,095,961</u>	<u>\$ 1,196,187</u>	<u>\$ 66,292,148</u>
<b>Classified as:</b>			
Cash	\$ 13,468,949	\$ 1,196,187	\$ 14,665,136
Restricted cash	51,627,012	-	51,627,012
Total	<u>\$ 65,095,961</u>	<u>\$ 1,196,187</u>	<u>\$ 66,292,148</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 3,839,383	\$ (1,600)	\$ 3,837,783
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	5,990,866	156,161	6,147,027
Decrease in accounts receivable	2,711,368	10,938	2,722,306
Increase in advances to other funds	-	(161,026)	(161,026)
Increase in inventories	(92,772)	-	(92,772)
Decrease in accounts payable	(1,244,130)	(34,266)	(1,278,396)
Increase (decrease) in due to other funds	(2,789,041)	4,373	(2,784,668)
Increase in customer deposits payable	132,635	-	132,635
Increase in unearned revenue	49,840	-	49,840
Increase in compensated absences	33,219	3,268	36,487
Net cash provided by operating activities	<u>\$ 8,631,368</u>	<u>\$ 95,532</u>	<u>\$ 8,726,900</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Donation of capital assets from developers	<u>\$ 3,201,834</u>	<u>-</u>	<u>\$ 3,201,834</u>

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

**PAULDING COUNTY, GEORGIA**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2018**

---

<b>ASSETS</b>	<b>Agency Funds</b>
Cash and cash equivalents	\$ 4,558,638
Taxes receivable	<u>1,269,053</u>
Total assets	<u><u>\$ 5,827,691</u></u>
<b>LIABILITIES</b>	
Due to others	\$ 4,558,638
Uncollected taxes	<u>1,269,053</u>
Total liabilities	<u><u>\$ 5,827,691</u></u>

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

**PAULDING COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

**Discretely Presented Component Units**

The Paulding County Health Department (the "Health Department") serves the citizens of Paulding County and is governed by a board of appointed officials. The Paulding County Board of Commissioners appoints the officials to this board. Paulding County also makes monthly contributions to the Health Department to assist in operations. The Health Department operates on a July 1 through June 30 fiscal year.

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

##### Discretely Presented Component Units (Continued)

The Paulding County Industrial Building Authority (the “Industrial Building Authority”) serves the citizens of Paulding County and is governed by a board of appointed officials. The Paulding County Board of Commissioners appoints the officials to this board. Paulding County also makes monthly contributions to the Industrial Building Authority to assist in operations. The Industrial Building Authority issued bonds to provide capital for the construction of the Industrial Building Park and a sewer plant to accommodate the park. The Industrial Building Authority operates on a July 1 through June 30 fiscal year.

A copy of the Paulding County Industrial Building Authority’s financial statements may be obtained by writing to the following address: Paulding County Chamber of Commerce, 455 Jimmy Campbell Parkway, Dallas, Georgia 30132.

The Paulding County Airport Authority (the “Airport Authority”) serves the citizens of Paulding County and is governed by a board of appointed officials. The Paulding County Board of Commissioners appoints the officials to this board. Paulding County acts as the fiscal agent for the Airport Authority and provides personnel to oversee the construction and development of the airport. The Airport Authority operates on a July 1 through June 30 fiscal year. Separate financial statements are not prepared for the Paulding County Airport Authority.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major governmental funds:

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

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

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

The **SPLOST V Capital Projects Fund** accounts for resources which are used exclusively for roads, public safety, recreation, and economic development. The SPLOST V fund replaces SPLOST IV as the term for SPLOST IV expired in April 2017 and SPLOST V began in 2017.

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 funds.

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

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

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

#### D. Deposits and Investments

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

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

The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Deposits and Investments (Continued)

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

#### E. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

#### F. Inventories and Prepaid Items

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

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

#### G. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land and buildings are capitalized. Donated capital assets are recorded at estimated acquisition value. No depreciation is taken on the donated assets in the same year of contribution.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Capital Assets (Continued)

The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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

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

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

#### H. Deferred Outflows/Inflows of Resources

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

The other elements that qualify for reporting in this category pertain to the recording of changes in the County's net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. The County reports a deferred outflow of resources for employer contributions made to the pension plan subsequent to the measurement date as these will be recognized as a reduction to the County's net pension liability in the year ended June 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Deferred Outflows/Inflows of Resources (Continued)

The County also reports deferred outflows of resources for experience gains or losses and deferred outflows of resources for assumption changes which are amortized into pension expense over the expected remaining service lives of plan members.

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 has two items that qualify for reporting in this category. One item arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Another item the County reports as a deferred outflow of resources is for experience gains or losses which is amortized into pension expense over the expected remaining service lives of plan members. The County also reports deferred outflows of resources for the net difference between projected and actual earnings on pension investments. This item will be amortized against pension expense over a five year period.

#### I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and any related premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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

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

*Unassigned* – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County reports positive unassigned fund balance only in the General Fund. 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.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Fund Equity (Continued)

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

For the year ending June 30, 2018, the County has reported \$5,245,410 of encumbrances as assignments of fund balance in the General Fund.

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

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

#### L. Management Estimates

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

#### M. Pensions

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. LEGAL COMPLIANCE – BUDGETS

#### A. Budgets and Budgetary Accounting

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

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

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. LEGAL COMPLIANCE – BUDGETS (Continued)

#### B. Deficit Fund Equity

The Solid Waste Fund has deficit fund equity of \$1,637,308 at June 30, 2018. The deficit occurred due to the recognition of the landfill closure and post-closure care liability as described in Note 7. Annually, a contribution is made from the General Fund to reduce this deficit.

#### C. Excess Expenditures Over Appropriations

For the year ended June 30, 2018 expenditures exceeded the budget in the General Fund departments and Sheriff Commissary Fund as follows:

General Fund:	
Public safety	
Animal Control	\$ 14,163
Health and welfare	
General health grant	358
Housing and development	
General appropriations	24
Sheriff Commissary Fund	77,843

The excess of expenditures over budget that are noted above were primarily funded by the use of fund balance.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

#### A. Primary Government

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

**Custodial credit risk.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia at a rate of at least 110 percent of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2018, the County's cash accounts were insured and/or collateralized as defined by GASB Standards.

**Categorization of investments.** At June 30, 2018, the County had the following investments:

Fidelity Institutional Treasury MM	26 days weighted average	Aaa-mf	\$ 47,896,614
US Treasury Strips	6.1 months weighted average	AAA	70,307,094
Federal Home Loan	37 days weighted average	AAA	4,998,380
Georgia Fund 1	10 days weighted average	AAAf	96,526,777
			\$ 219,728,865

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### A. Primary Government (Continued)

**Interest rate risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits the investments with maturities greater than one year to 25%.

**Fair Value Measurements.** The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2018:

Investment	Level 2	Fair Value
Fidelity Treasury money market Mutual Fund	\$ 47,896,614	\$ 47,896,614
US Treasury Strips	70,307,094	70,307,094
Federal Home Loan	4,998,380	4,998,380
Total investments subject to level disclosure	\$ 123,202,088	\$ 123,202,088
Investments not subject to level disclosure:		
Georgia Fund 1		96,526,777
Total investments measured at fair value		\$ 219,728,865

The Fidelity Treasury Money Market Mutual Fund, US Treasury Strips and Federal Home Loan Bond are classified in Level 2 of the fair value hierarchy is valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### B. Discretely Presented Component Unit – Industrial Building Authority

**Fair Value Measurements.** The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. The Authority has no investments valued at fair value.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2018, the Authority had deposits at local financial institutions that were uninsured and under-collateralized by \$248,738, as defined by State statutes.

**This part of page intentionally left blank.**

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

#### A. Primary Government

Receivables at June 30, 2018, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<b>General Fund</b>	<b>Fire Tax Fund</b>	<b>SPLOST V Fund</b>	<b>Nonmajor Governmental Funds</b>
Receivables:				
Taxes	\$ 609,543	\$ 279,381	\$ -	\$ 193,755
Other governments	1,368,171	-	-	-
Accounts	501,987	724	1,462,358	383,845
Gross receivables	2,479,701	280,105	1,462,358	577,600
Less allowance for uncollectibles	(262,797)	(125,218)	-	(84,778)
Net receivables	\$ 2,216,904	\$ 154,887	\$ 1,462,358	\$ 492,822
	<b>Water &amp; Sewer Fund</b>	<b>Nonmajor Enterprise Funds</b>		
Receivables:				
Taxes	\$ -	\$ -		
Other governments	-	-		
Accounts	6,646,095	64,384		
Gross receivables	6,646,095	64,384		
Less allowance for uncollectibles	(1,703,580)	-		
Net receivables	\$ 4,942,515	\$ 64,384		

Property taxes for the 2018 fiscal year were levied on August 8, 2017, with property values assessed as of January 1, 2017. Bills are payable by the later of November 15, 2017 or sixty days from the date the property tax bills are mailed at which time the applicable property is subject to penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of December 15, 2017.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 57,096,065	\$ 2,290,734	\$ (110,000)	\$ -	\$ 59,276,799
Construction in progress	25,274,619	21,799,487	-	(28,979,562)	18,094,544
Total capital assets, not being depreciated	<u>82,370,684</u>	<u>24,090,221</u>	<u>(110,000)</u>	<u>(28,979,562)</u>	<u>77,371,343</u>
Capital assets, being depreciated:					
Buildings and improvements	163,992,228	513,890	-	-	164,506,118
Equipment	52,900,752	2,792,791	(757,899)	-	54,935,644
Infrastructure	327,914,583	198,860	-	28,979,562	357,093,005
Total capital assets, being depreciated	<u>544,807,563</u>	<u>3,505,541</u>	<u>(757,899)</u>	<u>28,979,562</u>	<u>576,534,767</u>
Less accumulated depreciation for:					
Buildings and improvements	45,784,312	4,367,333	-	-	50,151,645
Equipment	39,387,175	2,848,094	(408,610)	-	41,826,659
Infrastructure	88,988,044	8,122,142	-	-	97,110,186
Total accumulated depreciation	<u>174,159,531</u>	<u>15,337,569</u>	<u>(408,610)</u>	<u>-</u>	<u>189,088,490</u>
Total capital assets, being depreciated, net	<u>370,648,032</u>	<u>(11,832,028)</u>	<u>(349,289)</u>	<u>-</u>	<u>387,446,277</u>
Governmental activities capital assets, net	<u>\$ 453,018,716</u>	<u>\$ 12,258,193</u>	<u>\$ (459,289)</u>	<u>\$ -</u>	<u>\$ 464,817,620</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,782,138	\$ -	\$ -	\$ -	\$ 3,782,138
Construction in progress	89,086,740	81,975,999	-	(4,896,055)	166,166,684
Total capital assets, not being depreciated	<u>92,868,878</u>	<u>81,975,999</u>	<u>-</u>	<u>(4,896,055)</u>	<u>169,948,822</u>
Capital assets, being depreciated:					
Buildings and improvements	5,569,328	-	-	3,717,131	9,286,459
Equipment	6,456,237	609,329	(66,651)	-	6,998,915
Infrastructure	209,200,658	3,996,903	-	1,178,924	214,376,485
Intangible assets	2,500,000	-	-	-	2,500,000
Total capital assets, being depreciated	<u>223,726,223</u>	<u>4,606,232</u>	<u>(66,651)</u>	<u>4,896,055</u>	<u>233,161,859</u>
Less accumulated depreciation for:					
Buildings and improvements	2,577,185	181,609	-	-	2,758,794
Equipment	5,278,167	363,357	(66,651)	-	5,574,873
Infrastructure	73,503,141	5,552,061	-	-	79,055,202
Intangible assets	300,000	50,000	-	-	350,000
Total accumulated depreciation	<u>81,658,493</u>	<u>6,147,027</u>	<u>(66,651)</u>	<u>-</u>	<u>87,738,869</u>
Total capital assets, being depreciated, net	<u>142,067,730</u>	<u>(1,540,795)</u>	<u>-</u>	<u>4,896,055</u>	<u>145,422,990</u>
Business-type activities capital assets, net	<u>\$ 234,936,608</u>	<u>\$ 80,435,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,371,812</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

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

Governmental activities:

General government	\$ 2,447,117
Public safety	2,498,866
Public works	8,442,083
Health and welfare	57,041
Culture and recreation	826,265
Housing and development	1,066,197
Total depreciation expense - governmental activities	<u>\$ 15,337,569</u>

Business-type activities:

Water and Sewer Fund	\$ 5,990,866
Solid Waste Fund	78,299
DFACS Building Fund	77,862
Total depreciation expense - business-type activities	<u>\$ 6,147,027</u>

**This part of page intentionally left blank.**

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### B. Discretely Presented Component Unit – Industrial Building Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Industrial Building Authority:</b>				
Capital assets, not being depreciated:				
Land	\$ 288,554	\$ 464,072	\$ -	\$ 752,626
Total capital assets, not being depreciated	<u>288,554</u>	<u>464,072</u>	<u>-</u>	<u>752,626</u>
Capital assets, being depreciated:				
Buildings	-	4,685,996	-	4,685,996
Infrastructure	1,208,007	-	-	1,208,007
Equipment and vehicles	28,697	6,969	-	35,666
Total capital assets, being depreciated	<u>1,236,704</u>	<u>4,692,965</u>	<u>-</u>	<u>5,929,669</u>
Less accumulated depreciation for:				
Buildings	-	34,456	-	34,456
Infrastructure	124,743	35,050	-	159,793
Equipment and vehicles	17,253	4,748	-	22,001
Total accumulated depreciation	<u>141,996</u>	<u>74,254</u>	<u>-</u>	<u>216,250</u>
Total capital assets, being depreciated, net	<u>1,094,708</u>	<u>4,618,711</u>	<u>-</u>	<u>5,713,419</u>
Industrial Building Authority capital assets, net	<u>\$ 1,383,262</u>	<u>\$ 5,082,783</u>	<u>\$ -</u>	<u>\$ 6,466,045</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### C. Discretely Presented Component Unit – Airport Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Airport Authority:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,663,223	\$ 85,000	\$ -	\$ 5,748,223
Construction in progress	952	-	(952)	-
Total capital assets, not being depreciated	<u>5,664,175</u>	<u>85,000</u>	<u>(952)</u>	<u>5,748,223</u>
Capital assets, being depreciated:				
Buildings	2,820,790	-	(4,562)	2,816,228
Infrastructure	3,338,309	-	(144,182)	3,194,127
Equipment and vehicles	53,478	19,100	(43,445)	29,133
Software	1,185	-	(1,185)	-
Total capital assets, being depreciated	<u>6,213,762</u>	<u>19,100</u>	<u>(193,374)</u>	<u>6,039,488</u>
Less accumulated depreciation for:				
Buildings	17,602	93,873	-	111,475
Infrastructure	183,810	86,515	(30,763)	239,562
Equipment and vehicles	2,746	2,276	(2,621)	2,401
Software	664	-	(664)	-
Total accumulated depreciation	<u>204,822</u>	<u>182,664</u>	<u>(34,048)</u>	<u>353,438</u>
Total capital assets, being depreciated, net	<u>6,008,940</u>	<u>(163,564)</u>	<u>(159,326)</u>	<u>5,686,050</u>
Airport Authority capital assets, net	<u>\$ 11,673,115</u>	<u>\$ (78,564)</u>	<u>\$ (160,278)</u>	<u>\$ 11,434,273</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General fund	SPLOST IV fund	\$ 874,175
General fund	SPLOST V fund	532,360
General fund	Capital projects fund	639,592
General fund	Fire tax fund	1,666,277
General fund	Water & sewer fund	3,602,201
General fund	Nonmajor governmental funds	434,292
General fund	Nonmajor proprietary funds	7,316
		\$ 7,756,213
Nonmajor governmental funds	General fund	\$ 22,064

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

Advances to/from other funds:

Receivable fund	Payable fund	Amount
Nonmajor enterprise funds	General Fund	\$ 1,089,677

The amounts payable to the Solid Waste Fund relate to the amount of collections in the General Fund for Solid Waste for which payment has not been made. These amounts will not be paid back within one year and are considered advances.

Due to/from component units:

Receivable fund	Payable fund	Amount
Governmental activities	Industrial Building Authority	\$ 3,496,795

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

## NOTES TO FINANCIAL STATEMENTS

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

Interfund transfers for the year ended June 30, 2018, were as follows:

Transfers In	Transfers Out	Amount
Nonmajor enterprise funds	General fund	\$ 750,000
Capital projects fund	General fund	2,200,000

Transfers are used to move funds from the General Fund to the Solid Waste Fund to adequately meet the expenses of the Solid Waste Fund and from the General Fund to the Capital Projects Fund to supplement project costs.

### NOTE 7. LONG-TERM DEBT

#### A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable	\$ 66,215,000	\$ 67,385,000	\$ (4,445,000)	\$ 129,155,000	\$ 5,755,000
Plus: Premiums	-	5,385,580	(71,853)	5,313,727	-
Total bonds payable	66,215,000	72,770,580	(4,516,853)	134,468,727	5,755,000
Intergovernmental payable	12,020,305	-	(1,110,000)	10,910,305	1,135,000
Net pension liability	14,084,555	5,084,770	(7,622,622)	11,546,703	-
Compensated absences	3,990,822	2,998,946	(2,566,366)	4,423,402	3,096,381
Governmental activities long-term liabilities	\$ 96,310,682	\$ 80,854,296	\$ (15,815,841)	\$ 161,349,137	\$ 9,986,381
<b>Business-type Activities:</b>					
Bonds payable	\$ 173,395,000	\$ -	\$ (3,820,000)	\$ 169,575,000	\$ 3,940,000
Plus: Premiums	9,569,358	-	(689,499)	8,879,859	-
Total bonds payable	182,964,358	-	(4,509,499)	178,454,859	3,940,000
Notes payable	59,556,877	-	(285,755)	59,271,122	294,790
Intergovernmental payable	3,395,000	-	(450,000)	2,945,000	450,000
Landfill closure/ postclosure costs	3,793,465	117,684	-	3,911,149	615,000
Compensated absences	406,807	304,487	(268,000)	443,294	310,306
Business-type activities long-term liabilities	\$ 250,116,507	\$ 422,171	\$ (5,513,254)	\$ 245,025,424	\$ 5,610,096

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

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

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

During fiscal year 2015, the County issued \$27,775,000 of Series 2015 general obligation bonds. The 2015 bonds were issued to refund \$25,345,000 of the \$30,760,000 in aggregate principal amount of the Series 2007 general obligation bonds maturing August 1, 2017 through 2022 and February 1, 2029 through 2032. The bonds bear interest rates of 1.777% and 2.601%. The refunding resulted in a difference between the reacquisition price and the carrying amount of the old debt of \$1,553,723. This difference is reported in the accompanying financial statements as a deferred outflow of resources, and is being charged to operations through year 2032 using the straight-line method. The current outstanding amount of debt considered legally defeased equals \$24,285,000 as of June 30, 2018.

During fiscal year 2018, the County issued \$67,385,000 of Series 2017 general obligation bonds. Proceeds from the bonds will be used to acquire, construct, equip and furnish a replacement Paulding County Sheriff's Office detention center and other related facilities located in the County. The bonds bear interest at rates from 3.0% to 5.0%, and will mature February 1, 2048.

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

<b>Year ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b><u>June 30,</u></b>			
2019	\$ 5,755,000	\$ 4,066,847	\$ 9,821,847
2020	5,900,000	3,926,466	9,826,466
2021	6,025,000	3,782,719	9,807,719
2022	6,195,000	3,628,770	9,823,770
2023	6,345,000	3,470,615	9,815,615
2024-2028	27,410,000	15,047,477	42,457,477
2029-2033	28,175,000	10,264,336	38,439,336
2034-2038	11,985,000	6,938,850	18,923,850
2039-2043	14,215,000	4,708,463	18,923,463
2044-2048	17,150,000	1,770,000	18,920,000
Total	<u>\$ 129,155,000</u>	<u>\$ 57,604,543</u>	<u>\$ 186,759,543</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

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

**Intergovernmental payable – Industrial Building Authority.** The County has also entered into an intergovernmental agreement with the Industrial Building Authority to pay the Paulding County Industrial Building Authority Revenue Bond Series 2011 A&B issued to construct the Airport Technology Park Water Tank, Fire Protection, a Hangar and a Film Studio. The Series 2011A and Series 2011B Revenue Bonds were issued in the amount of \$1,100,000 and \$6,800,000, respectively. The Series 2011A and Series 2011B bonds, which bear interest at rates from 2.0% to 4.8% and 1.6% to 6.1%, respectively, are payable on August 1 and February 1 of each year. The Revenue Bonds Series 2011A and Series 2011B mature on August 1, 2031.

Paulding County, Georgia and the Paulding County Industrial Building Authority have entered into an Intergovernmental Contract Dated May 1, 2011, whereby the County is obligated to make payments to the Paulding County Industrial Building Authority sufficient in time and amount to enable the Paulding County Industrial Building Authority to pay the principal and interest on the 2011A and 2011B Revenue Bonds as they mature.

**Intergovernmental payable – Airport Authority.** The County has also entered into an intergovernmental agreement with the Airport Authority to pay the Paulding Northwest Atlanta Airport Project, Series 2014 in the amount of \$3,600,000, to fund the cost of acquiring, constructing, extending and improving the landing field at the Paulding Northwest Atlanta Airport. The Series 2014 Revenue Bonds were issued in the amount of \$3,600,000. The Series 2014 bonds, which bear interest at a rate of 2.35%, are payable on August 1 and February 1 of each year. The Revenue Bonds Series 2014 bonds mature on February 1, 2023.

Paulding County, Georgia and the Paulding County Airport Authority have entered into an Intergovernmental Contract Dated July 1, 2014, whereby the County is obligated to make payments to the Paulding County Airport Authority sufficient in time and amount to enable the Paulding County Airport Authority to pay the principal and interest on the Bonds as they mature.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,135,000	\$ 431,822	\$ 1,566,822
2020	1,170,000	400,721	1,570,721
2021	1,205,000	367,419	1,572,419
2022	1,235,000	332,254	1,567,254
2023	1,105,305	298,003	1,403,308
2024-2028	2,755,000	1,012,938	3,767,938
2029-2032	2,305,000	283,284	2,588,284
Total	<u>\$ 10,910,305</u>	<u>\$ 3,126,441</u>	<u>\$ 14,036,746</u>

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

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

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

Series 2016 Water and Sewer Revenue Improvement and Refunding Bonds – In September 2016, the County Water and Sewer Fund issued \$158,360,000 in revenue bonds to partially refund the 2009 and 2009A Water and Sewer Revenue Bonds and to provide financing for system improvements and a new reservoir. The County has determined the refunding will reduce the debt service payments by \$931,715 on an aggregate basis and a net present savings of \$860,126. The County's obligations are payable solely from the net revenues of the Water and Sewer System. The bonds bear interest at rates from 2.5% to 5.0%, and will mature December 1, 2048. The current outstanding amount of the 2009 and 2009A bonds considered legally defeased is \$10,475,000 as of June 30, 2018.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

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

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,940,000	\$ 5,730,548	\$ 9,670,548
2020	3,980,000	5,566,950	9,546,950
2021	2,935,000	5,405,525	8,340,525
2022	3,135,000	5,266,200	8,401,200
2023	3,305,000	5,111,775	8,416,775
2024-2028	19,660,000	22,915,875	42,575,875
2029-2033	24,005,000	18,755,025	42,760,025
2034-2038	28,610,000	14,197,200	42,807,200
2039-2043	33,160,000	9,572,550	42,732,550
2044-2048	38,450,000	4,211,250	42,661,250
2049	8,395,000	125,925	8,520,925
Total	<u>\$ 169,575,000</u>	<u>\$ 96,858,823</u>	<u>\$ 266,433,823</u>

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

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

Also in fiscal year 2013, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction costs of the Reservoir project. As of June 30, 2018, the loan has a balance of \$29,100,000. The loan bears an interest rate of zero percent for three years following the first draw under the loan agreement. After this period and during the construction phase interest is being paid monthly at 1.0% of the outstanding amount. Following the construction phase this note will become permanent with an interest rate of 1.82% and payable over a forty year period beginning October 1, 2021 and maturing September 1, 2061.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

In fiscal year 2017, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction costs of the Reservoir project. As of June 30, 2018, the loan has a balance of \$6,000,000. During the construction phase, this note shall bear no interest. Following the construction phase this note will become permanent with an interest rate of 2.03% and payable over a forty year period beginning October 1, 2021.

Also, in fiscal year 2017, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction costs of the Reservoir project. As of June 30, 2018, the loan has a balance of \$21,600,000. The loan bears an interest rate of zero percent for three years following the first draw under the loan agreement. After this period and during the construction phase interest is being paid monthly at 1.0% of the outstanding amount. Following the construction phase this note will become permanent with an interest rate of 1.40% and payable over a thirty year period.

Also, in fiscal year 2017, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction costs of the Reservoir project in the amount of \$8,206,250. As of June 30, 2018, the loan has had no drawdowns, therefore, no liability has been recorded and a future payment schedule has not been established. During the construction phase, this note shall bear no interest. Following the construction phase this note will become permanent with an interest rate of 2.03% and payable over a forty year period beginning October 1, 2021.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

The debt service requirements to maturity are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 294,790	\$ 75,668	\$ 370,458
2020	304,110	66,348	370,458
2021	313,726	56,733	370,458
2022	1,207,592	757,387	1,964,979
2023	1,529,399	967,087	2,496,486
2024-2028	7,147,334	4,409,913	11,557,247
2029-2033	6,945,362	3,823,869	10,769,231
2034-2038	7,393,178	3,236,959	10,630,137
2039-2043	8,024,064	2,606,073	10,630,137
2044-2048	8,709,981	1,920,156	10,630,137
2049-2053	7,893,894	1,192,451	9,086,345
2054-2058	5,587,653	631,649	6,219,303
2059-2062	3,920,038	122,509	4,042,547
Total	<u>\$ 59,271,122</u>	<u>\$ 19,866,802</u>	<u>\$ 79,137,924</u>

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

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 450,000	\$ 71,950	\$ 521,950
2020	475,000	58,075	533,075
2021	490,000	43,600	533,600
2022	500,000	28,750	528,750
2023	510,000	16,150	526,150
2024	520,000	5,525	525,525
Total	<u>\$ 2,945,000</u>	<u>\$ 224,050</u>	<u>\$ 3,169,050</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Landfill post-closure costs.** State and federal laws and regulations require the County to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Governmental accounting standards require the County to estimate and accrue for future costs associated with the closure and postclosure 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 postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and postclosure care costs at year end totaled \$3,911,149. This amount is based on the total estimated cost of closure and postclosure costs multiplied by management's estimate of the percentage of landfill capacity used at year end (95.7%). The estimated total current cost of the landfill closure and postclosure care (approximately \$4,086,885) 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, 2018. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County plans to cap a portion of the landfill in the subsequent fiscal year. As of June 30, 2018 it is estimated that the remaining life of the landfill is two years.

**Non-exchange financial guarantee.** In May 2012, Paulding County, Georgia guaranteed the 30-year, \$31,250,000 Revenue Anticipation Certificates, Series 2012A issuance of the Paulding County Hospital Authority, a legally separate entity located within Paulding County, Georgia, in accordance with the provisions of Article IX, Section III, Paragraph I (a) and (c) of the Constitution of the State of Georgia, and by the Hospital Authorities Act. The bonds mature annually through April 1, 2042, with semiannual interest payments. In the event that the Paulding County Hospital Authority is unable to make a payment, Paulding County, Georgia will be required to make that payment. The County does not currently anticipate making the debt service payments.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### B. Discretely Presented Component Unit – Industrial Building Authority

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 14,840,000	\$ -	\$ (1,415,000)	\$ 13,425,000	\$ 1,435,000
Plus: Premiums	102,139	-	(27,658)	74,481	-
Less: Discounts	(9,676)	-	1,431	(8,245)	-
Total bonds payable	<u>\$ 14,932,463</u>	<u>\$ -</u>	<u>\$ (1,441,227)</u>	<u>\$ 13,491,236</u>	<u>\$ 1,435,000</u>

**Revenue Bonds.** On May 1, 2011 the Authority issued \$7,900,000 of Revenue Bonds. The Bonds were issued in two separate series for various purposes. The Series 2011A Revenue Tax exempt Bonds in the amount of \$1,100,000 were issued for the purpose of construction of the Airport and Airport Technology Park Water Tank and Fire Protection. The Series 2011B Taxable Revenue Bonds in the amount of \$6,800,000 were issued for the purpose of construction of a Hangar with an approximate cost of \$1,200,000 and the construction of a Film Studio with an approximate cost of \$5,000,000 with remaining \$600,000 to cover the cost of issuing the Bonds and to capitalized interest cost during the construction period. The Series 2011A bond will be serviced through an annual payment from the Authority, commencing on August 1, 2013 of \$40,000 to \$80,000 through August 1, 2031 at an interest rate of 2.0% to 4.75%. As of June 30, 2018, the outstanding principal amount is \$875,000. The Series 2011B bond will be serviced through an annual payment from the Authority, commencing on August 1, 2027 of \$255,000 to \$545,000 through August 1, 2031 at an interest rate of 1.57% to 5.47%. As of June 30, 2018, the outstanding principal amount is \$5,485,000.

Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated May 1, 2011, whereby the County is obligated to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the 2011A and 2011B Revenue Bonds as they mature.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

On October 25, 2012 the Authority issued \$7,315,000 in Revenue Bonds for the purpose of retiring the 2003 Revenue Bonds. The Bonds were issued in two separate series for various purposes. The Series 2012A Taxable Revenue Bonds in the amount of \$2,225,000 were issued to pay off the Series 2003A Taxable Revenue Bonds. The Series 2012B Tax-Exempt Revenue Bonds in the amount of \$5,090,000 were issued to pay off the Series 2003B and 2003C Tax-Exempt Revenue bonds. The Series 2012A bond will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of \$180,000 to \$220,000 through December 1, 2023 at an interest rate of 1.0% to 3.0%. As of June 30, 2018, the outstanding principal amount is \$1,245,000. The Series 2012B bond will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of \$405,000 to \$520,000 through December 1, 2023 at an interest rate of 2.0% to 3.0%. As of June 30, 2018, the outstanding principal amount is \$2,945,000.

Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract dated October 25, 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 2012B Revenue Bonds as they mature.

The Series 2013 bonds were issued to provide funds to finance the cost of certain road projects of the County. Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated October 1, 2013, whereby the County is obligated to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the Bonds as they mature. The Series 2013 bonds will be serviced through an annual payment from the Authority, commencing on February 1, 2015 of \$415,000 to \$505,000 through February 1, 2024 at an interest rate of 2.25%. As of June 30, 2018, the outstanding principal amount is \$2,875,000.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

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

Year ending June 30,	Principal	Interest	Total
2019	\$ 1,435,000	\$ 488,756	\$ 1,923,756
2020	1,485,000	448,197	1,933,197
2021	1,530,000	404,456	1,934,456
2022	1,570,000	357,982	1,927,982
2023	1,605,000	311,572	1,916,572
2024-2028	3,495,000	1,021,763	4,516,763
2029-2032	2,305,000	283,284	2,588,284
Total	<u>\$ 13,425,000</u>	<u>\$ 3,316,010</u>	<u>\$ 16,741,010</u>

#### C. Discretely Presented Component Unit – Airport Authority

The following is a summary of long-term debt activity for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 2,020,305	\$ -	\$ (345,000)	\$ 1,675,305	\$ 350,000
Notes payable	105,615	-	(15,508)	90,107	14,508
Due to Silver Comet					
Terminal Partnership	360,000	-	-	360,000	-
Intergovernmental payable - Paulding County Industrial Building Authority	1,175,000	-	(65,000)	1,110,000	55,000
Total bonds payable	<u>\$ 3,660,920</u>	<u>\$ -</u>	<u>\$ (425,508)</u>	<u>\$ 3,235,412</u>	<u>\$ 419,508</u>

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

Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated July 1, 2014, whereby the County is obligated to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the Bonds as they mature.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 350,000	\$ 49,377	\$ 399,377
2020	360,000	43,424	403,424
2021	370,000	35,257	405,257
2022	375,000	26,914	401,914
2023	220,305	18,337	238,642
Total	<u>\$ 1,675,305</u>	<u>\$ 173,309</u>	<u>\$ 1,848,614</u>

**Due to Silver Comet Terminal Partnership.** On October 7, 2013, the Authority entered into an agreement with Silver Comet Terminal Partners, LLC (the "Company"), whereby the Company will pay the Authority annual amounts equal to the bonded indebtedness for the Paulding County Airport Authority issued Paulding Northwest Atlanta Airport Project, Series 2014 Revenue Bonds. To the extent the Authority receives any reimbursement from a grant for the costs associated with the project funded by the debt issuance, the Authority will repay the Company any amounts associated with the principal portion of the payments made by the Company under the agreement, reduce the remaining principal outstanding, and repay the interest paid by the Company. If the grant reimbursement is insufficient to repay interest paid to date, the Authority will not be responsible for repaying the interest portion of the payments made by the Company. The Authority anticipates a reimbursement from a grant for the project costs but does not expect this reimbursement to occur within the next fiscal year. The total debt service requirements on the bonds is \$4,035,220 (Principal: \$3,600,000, Interest: \$435,220). A liability of \$360,000 to the Company for the principal payment made during fiscal year ending June 30, 2015 has been reflected in the accompanying financial statements. During the fiscal year ending June 30, 2016, the Company ceased making payments to the Authority to cover the debt service requirements. The County has entered into an intergovernmental contract with the Paulding County Airport Authority to pay the remaining Series 2014 Revenue bond payments.

**Notes payable.** During fiscal year 2017, Paulding County Airport Authority entered into a note payable with Prime Contractors in the amount of \$100,000. This note payable is payable in equal monthly installments of \$1,000 for 100 months with no interest due.

During the fiscal year 2017, Paulding County Airport Authority also entered into a note payable with John Deere in the amount of \$10,033. This note payable is payable in equal monthly installments of \$209 for 48 months with no interest due.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 7. LONG-TERM DEBT (CONTINUED)

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

**Intergovernmental payable – Industrial Building Authority.** Pursuant to an agreement dated December 30, 2016 between the Paulding County Industrial Building Authority and the Paulding County Airport Authority, the Paulding County Industrial Building Authority has issued a no-interest loan to the Paulding County Airport Authority in the amount of \$1,200,000 to provide financing for various capital improvements and miscellaneous expenses. Payments in the amount of \$5,000 are due monthly beginning February 10, 2017 and maturing January 10, 2037. The remaining balance on this loan as of June 30, 2018 was \$1,110,000.

### NOTE 8. DEFINED BENEFIT PLAN

#### A. Primary Government

##### Plan Description

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

#### A. Primary Government (Continued)

Plan membership. As of January 1, 2017, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	184
Terminated plan participants entitled to but not yet receiving benefits	377
Active employees participating in the Plan	580
Total number of Plan participants	1,141

**Contributions.** The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2018, the County's contribution rate was 10.1% of annual payroll. County contributions to the Plan were \$2,504,007 for the year ended June 30, 2018.

#### Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2017.

Actuarial assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	3.5% - 5.5%, including inflation
Investment rate of return	7.25 %, net of pension plan investment expense, including inflation

Mortality rates for were based on the RP-2000 Combined Healthy Mortality Table with Scale AA projection to year 2017.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for through December 31, 2016.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

#### A. Primary Government (Continued)

##### Net Pension Liability of the County (Continued)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30%	6.08%
Large Cap equity	30%	9.07
International equity	15%	5.01
Other equity	20%	8.62
Real estate	5%	10.62
Total	100%	

\* Rates shown are net of the 2.00% assumed rate of inflation

**Discount rate.** The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability. As of December 31, 2017 the expected long-term rate of return was revised to 7.25%

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

#### A. Primary Government (Continued)

**Changes in the Net Pension Liability of the County.** The changes in the components of the net pension liability of the County for the year ended June 30, 2018, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/16</b>	\$ 46,814,864	\$ 32,730,309	\$ 14,084,555
<b>Changes for the year:</b>			
Service cost	1,009,288	-	1,009,288
Interest	3,423,882	-	3,423,882
Differences between expected and actual differences	436,119	-	436,119
Assumption changes	109,113	-	109,113
Contributions—employer	-	2,287,071	(2,287,071)
Net investment income	-	5,335,551	(5,335,551)
Benefit payments, including refunds of employee contributions	(1,493,984)	(1,493,984)	-
Administrative expense	-	(106,368)	106,368
Other changes	-	-	-
<b>Net changes</b>	<u>3,484,418</u>	<u>6,022,270</u>	<u>(2,537,852)</u>
<b>Balances at 6/30/17</b>	<u>\$ 50,299,282</u>	<u>\$ 38,752,579</u>	<u>\$ 11,546,703</u>

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	\$ 19,311,594	\$ 11,546,703	\$ 5,198,915

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

#### A. Primary Government (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2017 and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2018, the County recognized pension expense of \$2,806,931. At June 30, 2018, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Plan contributions made subsequent to the measurement period	\$ 1,239,936	\$ -
Differences between expected and actual experience	1,067,835	66,696
Assumption changes	2,175,011	-
Net difference between projected and actual earnings on pension plan investments	-	1,222,871
Total	\$ 4,482,782	\$ 1,289,567

County contributions subsequent to the measurement date of \$1,239,936 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2019	\$ 747,911
2020	692,140
2021	230,572
2022	118,166
2023	164,490
Total	\$ 1,953,279

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 9. DEFINED CONTRIBUTION PLAN

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

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

Employees become eligible for the plan on the date of hire provided they are full-time and work a minimum of 30 hours per week. Actual participation in the plan begins with the first payroll following their date of hire. Participants are fully vested in the plan after five years of service. The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

The County has made the following contributions to the plan:

<b>Year ending <u>June 30,</u></b>	<b><u>County Contributions</u></b>	<b><u>Employee Contributions</u></b>	<b><u>Total Contributions</u></b>
2017	\$ 397,009	\$ 999,647	\$ 1,396,656
2018	444,054	1,143,852	1,587,906

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 10. RISK MANAGEMENT**

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

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

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

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

Settled claims have not exceeded insurance coverage in any of the last three years. There have been no significant reductions of insurance coverage from the prior year.

### **NOTE 11. COMMITMENTS AND CONTINGENCIES**

#### **Contractual Commitments**

In addition to the liabilities enumerated in the balance sheet, at June 30, 2018, the County has contractual commitments on uncompleted contracts of approximately \$131,484,836 consisting of Recreation contracts, \$191,399, Water Reservoir contracts, \$66,758,953 and Department of Transportation contracts, \$64,534,483.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### Other Commitments

In December 2016, Paulding County transferred a total of 163.84 acres to Paulding County Airport Authority with a net book value of \$815,000. During the fiscal year ended June 30, 2018, Paulding County and the Paulding County Airport Authority entered into an agreement, approved by the Federal Aviation Administration, whereby the Paulding County Airport Authority would transfer back to Paulding County approximately 123 acres of the original 163.84 acres. Additionally, the Paulding County Airport Authority will transfer to the County approximately 40 acres of property in the general vicinity of the General Aviation Terminal Area Expansion project. This transfer has not occurred as of June 30, 2018.

#### Litigation

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

#### Grant Contingencies

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

### NOTE 12. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Northwest Georgia Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2018, the County paid \$138,819 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia.

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 12. CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2018, the Health Department adopted the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans. The implementation of GASB 75 resulted in a change in reporting from the previous year. GASB 75 requires cost-sharing employers to record a liability and an expense within full accrual financial statements equal to their proportionate share of the net OPEB liability and expense for the cost-sharing plan. The following reflects the impact of the provisions of GASB Statement No. 75 on the financial statements:

Net position, beginning of year as previously reported	\$ 67,383
Restatement	<u>(1,089,260)</u>
Net position, beginning of year, as restated	<u>\$ (1,021,877)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

---

**PAULDING COUNTY, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 56,335,000	\$ 58,600,000	\$ 59,176,065	\$ 576,065
Licenses and permits	1,077,000	1,500,000	1,717,322	217,322
Intergovernmental	358,000	2,000,000	2,571,242	571,242
Fines and forfeitures	1,005,000	1,100,000	1,134,793	34,793
Charges for services	6,089,300	6,500,000	6,977,138	477,138
Interest income	100,000	500,000	542,034	42,034
Contributions and donations	-	-	47,928	47,928
Miscellaneous	191,500	466,500	559,681	93,181
Total revenues	<u>65,155,800</u>	<u>70,666,500</u>	<u>72,726,203</u>	<u>2,059,703</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Legislative	694,700	734,000	731,256	2,744
Public information	221,875	222,400	180,754	41,646
Executive	178,000	227,500	226,461	1,039
Elections	528,800	650,100	649,863	237
Finance	565,200	570,800	565,143	5,657
Information technology	1,775,474	1,828,600	1,572,495	256,105
Human resources	362,800	362,800	347,013	15,787
Government facilities	1,588,059	1,601,500	1,375,942	225,558
Tax assessors	1,653,400	1,653,400	1,544,826	108,574
Tax commissioners	1,183,700	1,218,100	1,177,199	40,901
General appropriations	6,664,800	4,466,000	4,114,057	351,943
Total general government	<u>15,416,808</u>	<u>13,535,200</u>	<u>12,485,009</u>	<u>1,050,191</u>
Judicial:				
Superior court	842,100	862,100	798,399	63,701
Clerk superior court	1,159,100	1,176,400	1,145,883	30,517
Probate court	813,900	873,100	871,101	1,999
Magistrate court	525,400	525,400	485,537	39,863
District attorney	1,440,050	1,601,600	1,575,526	26,074
Juvenile court	628,850	585,200	569,461	15,739
Public defender	802,755	710,700	710,494	206
Total judicial	<u>6,212,155</u>	<u>6,334,500</u>	<u>6,156,401</u>	<u>178,099</u>
Public safety:				
Coroner	101,800	106,600	94,564	12,036
Sheriff	15,805,553	15,816,700	15,459,221	357,479
Jail	6,433,425	6,433,400	5,941,992	491,408
Marshal	922,467	908,900	727,383	181,517
Animal control	744,900	750,000	764,163	(14,163)
General appropriations	26,000	30,000	23,035	6,965
Total public safety	<u>24,034,145</u>	<u>24,045,600</u>	<u>23,010,358</u>	<u>1,035,242</u>
Public works:				
Roads and bridges	11,528,850	14,552,300	14,054,940	497,360
Stormwater	800,393	560,000	538,529	21,471
Utility coordinator	1,000,000	1,000,000	974,797	25,203
Maintenance shop	807,320	807,300	743,379	63,921
Recycling	189,000	215,200	208,859	6,341
Total public works	<u>14,325,563</u>	<u>17,134,800</u>	<u>16,520,504</u>	<u>614,296</u>

(Continued)

**PAULDING COUNTY, GEORGIA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures: (Continued)</b>				
<b>Current: (Continued)</b>				
Health and welfare:				
Mental health grant	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
General health grant	342,300	342,300	342,658	(358)
General welfare grant	25,000	25,000	15,057	9,943
Senior citizens center	310,600	294,100	256,881	37,219
Senior citizens van	112,900	112,900	93,349	19,551
Bus service	240,170	258,500	255,401	3,099
General appropriations	88,000	95,000	93,908	1,092
Total health and welfare	<u>1,168,970</u>	<u>1,177,800</u>	<u>1,107,254</u>	<u>70,546</u>
Culture and recreation:				
Library	1,269,606	1,418,000	1,410,603	7,397
Recreation	2,632,860	2,751,000	2,672,864	78,136
General appropriations	9,000	17,000	15,522	1,478
Total culture and recreation	<u>3,911,466</u>	<u>4,186,000</u>	<u>4,098,989</u>	<u>87,011</u>
Housing and development:				
County extension service	106,400	109,900	91,333	18,567
Community development	1,546,600	1,552,000	1,487,795	64,205
General appropriations	465,000	468,500	468,524	(24)
Total housing and development	<u>2,118,000</u>	<u>2,130,400</u>	<u>2,047,652</u>	<u>82,748</u>
Total expenditures	<u>67,187,107</u>	<u>68,544,300</u>	<u>65,426,167</u>	<u>3,118,133</u>
Excess (deficiency) of revenues over expenditures	<u>(2,031,307)</u>	<u>2,122,200</u>	<u>7,300,036</u>	<u>5,177,836</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	60,000	-	217,451	217,451
Transfers out	(1,200,000)	(3,400,000)	(2,950,000)	450,000
Total other financing sources (uses)	<u>(1,140,000)</u>	<u>(3,400,000)</u>	<u>(2,732,549)</u>	<u>667,451</u>
Net change in fund balances	(3,171,307)	(1,277,800)	4,567,487	5,845,287
Fund balances, beginning of year	<u>59,894,308</u>	<u>59,894,308</u>	<u>59,894,308</u>	<u>-</u>
Fund balances, end of year	<u>\$ 56,723,001</u>	<u>\$ 58,616,508</u>	<u>\$ 64,461,795</u>	<u>\$ 5,845,287</u>

**PAULDING COUNTY, GEORGIA  
FIRE TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 13,128,000	\$ 13,309,000	\$ 13,703,020	\$ 394,020
Licenses and permits	5,000	5,000	7,375	2,375
Intergovernmental revenue	-	-	42,759	42,759
Investment income	50,000	100,000	115,495	15,495
Total revenues	<u>13,183,000</u>	<u>13,414,000</u>	<u>13,868,649</u>	<u>454,649</u>
<b>Expenditures:</b>				
Current:				
Public safety	<u>11,792,100</u>	<u>12,023,100</u>	<u>11,580,771</u>	<u>442,329</u>
Total expenditures	<u>11,792,100</u>	<u>12,023,100</u>	<u>11,580,771</u>	<u>442,329</u>
Net changes in fund balances	1,390,900	1,390,900	2,287,878	896,978
<b>Fund balances, beginning of year</b>	<u>9,382,238</u>	<u>9,382,238</u>	<u>9,382,238</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 10,773,138</u>	<u>\$ 10,773,138</u>	<u>\$ 11,670,116</u>	<u>\$ 896,978</u>

**PAULDING COUNTY, GEORGIA**

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

	2015	2016	2017	2018
<b>Total pension liability</b>				
Service cost	\$ 935,935	\$ 912,802	\$ 939,349	\$ 1,009,288
Interest on total pension liability	2,565,038	2,854,196	3,257,612	3,423,882
Assumption change	-	1,614,968	1,709,675	109,113
Benefit payments, including refunds of employee contributions	(1,152,809)	(1,359,894)	(1,417,535)	(1,493,984)
Experience (Gain)/Loss	-	1,274,958	(96,338)	436,119
<b>Net change in total pension liability</b>	2,348,164	5,297,030	4,392,763	3,484,418
<b>Total pension liability - beginning</b>	34,776,907	37,125,071	42,422,101	46,814,864
<b>Total pension liability - ending (a)</b>	\$ 37,125,071	\$ 42,422,101	\$ 46,814,864	\$ 50,299,282
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,198,002	\$ 1,152,078	\$ 1,879,341	\$ 2,287,071
Net investment income	1,897,270	65,189	2,209,040	5,335,551
Benefit payments, including refunds of employee contributions	(1,152,809)	(1,359,894)	(1,417,535)	(1,493,984)
Administrative expenses	(99,561)	(104,931)	(104,886)	(106,368)
Other	(2,493)	(54,592)	-	-
<b>Net change in plan fiduciary net position</b>	1,840,409	(302,150)	2,565,960	6,022,270
<b>Plan fiduciary net position - beginning</b>	28,626,090	30,466,499	30,164,349	32,730,309
<b>Plan fiduciary net position - ending (b)</b>	\$ 30,466,499	\$ 30,164,349	\$ 32,730,309	\$ 38,752,579
<b>County's net pension liability - ending (a) - (b)</b>	\$ 6,658,572	\$ 12,257,752	\$ 14,084,555	\$ 11,546,703
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.1%	71.1%	69.9%	77.0%
<b>Covered payroll</b>	\$ 24,261,213	\$ 24,283,073	\$ 24,248,412	\$ 25,344,624
<b>County's net pension liability as a percentage of covered payroll</b>	27.4%	50.5%	58.1%	45.6%

**Notes to the Schedule**

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**PAULDING COUNTY, GEORGIA**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,267,071	\$ 1,173,863	\$ 1,152,078	\$ 1,198,002	\$ 1,505,262
Contributions in relation to the actuarially determined contribution	<u>2,504,007</u>	<u>2,287,071</u>	<u>2,142,433</u>	<u>2,086,988</u>	<u>2,271,702</u>
Contribution deficiency (excess)	<u>\$ (1,236,936)</u>	<u>\$ (1,113,208)</u>	<u>\$ (990,355)</u>	<u>\$ (888,986)</u>	<u>\$ (766,440)</u>
Covered payroll	24,796,518	24,265,743	24,272,143	24,058,931	23,562,608
Contributions as a percentage of Covered payroll	10.1%	9.4%	8.8%	8.7%	9.6%

**Notes to the Schedule**

Valuation Date	January 1, 2017
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed
Assumed Rate of Return	
On Investments	7.25%
Projected Salary Increases	3.50% - 5.50% (including 2.00% for inflation)
Cost-of-living Adjustment	2.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

## **NONMAJOR GOVERNMENTAL FUNDS**

---

### **Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

### **Debt Service Fund**

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

**PAULDING COUNTY, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	Special Revenue Funds					
	Victims- Witness Assistance Fund	Emergency 911 Fund	Jail Fund	Supplemental Juvenile Fund	Drug Use Treatment Fund	Clerk's Technology Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 32,731	\$ 1,511,207	\$ 698,893	\$ 145,040	\$ 272,633	\$ 760,631
Accounts receivable	-	383,100	-	-	745	-
Taxes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 32,731</u>	<u>\$ 1,894,307</u>	<u>\$ 698,893</u>	<u>\$ 145,040</u>	<u>\$ 273,378</u>	<u>\$ 760,631</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 98,847	\$ -	\$ -	\$ 1,801	\$ -
Due to other funds	-	277,116	157,176	-	-	-
Total liabilities	<u>-</u>	<u>375,963</u>	<u>157,176</u>	<u>-</u>	<u>1,801</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted:						
Debt service	-	-	-	-	-	-
Judicial services	32,731	-	-	-	-	760,631
Public safety services	-	1,518,344	541,717	145,040	271,577	-
Committed:						
Commissary purchases	-	-	-	-	-	-
Total fund balances	<u>32,731</u>	<u>1,518,344</u>	<u>541,717</u>	<u>145,040</u>	<u>271,577</u>	<u>760,631</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,731</u>	<u>\$ 1,894,307</u>	<u>\$ 698,893</u>	<u>\$ 145,040</u>	<u>\$ 273,378</u>	<u>\$ 760,631</u>

**Special Revenue Funds**

<b>Law Library Fund</b>	<b>Sheriff Commissary Fund</b>	<b>Drug Confiscation Fund</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 30,358	\$ 202,180	\$ 17,308	\$ 7,095,770	\$ 10,766,751
-	-	-	-	383,845
-	-	-	108,977	108,977
-	-	-	22,064	22,064
<u>\$ 30,358</u>	<u>\$ 202,180</u>	<u>\$ 17,308</u>	<u>\$ 7,226,811</u>	<u>\$ 11,281,637</u>
\$ -	\$ -	\$ -	\$ -	\$ 100,648
-	-	-	-	434,292
-	-	-	-	534,940
-	-	-	88,607	88,607
-	-	-	88,607	88,607
-	-	-	7,138,204	7,138,204
30,358	-	-	-	823,720
-	-	17,308	-	2,493,986
-	202,180	-	-	202,180
<u>30,358</u>	<u>202,180</u>	<u>17,308</u>	<u>7,138,204</u>	<u>10,658,090</u>
<u>\$ 30,358</u>	<u>\$ 202,180</u>	<u>\$ 17,308</u>	<u>\$ 7,226,811</u>	<u>\$ 11,281,637</u>

**PAULDING COUNTY, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds					
	Victims- Witness Assistance Fund	Emergency 911 Fund	Jail Fund	Supplemental Juvenile Fund	Drug Use Treatment Fund	Clerk's Technology Fund
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	98,521	-	107,863	13,100	-	-
Charges for services	-	2,529,607	-	-	70,788	142,194
Investment income	-	1,020	328	73	109	356
Total revenues	<u>98,521</u>	<u>2,530,627</u>	<u>108,191</u>	<u>13,173</u>	<u>70,897</u>	<u>142,550</u>
<b>Expenditures:</b>						
Current:						
Judicial	135,780	-	-	-	-	70,407
Public safety	-	2,663,665	200,551	15,125	83,621	-
Intergovernmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Total expenditures	<u>135,780</u>	<u>2,663,665</u>	<u>200,551</u>	<u>15,125</u>	<u>83,621</u>	<u>70,407</u>
Net change in fund balances	(37,259)	(133,038)	(92,360)	(1,952)	(12,724)	72,143
<b>Fund balances, beginning of year</b>	<u>69,990</u>	<u>1,651,382</u>	<u>634,077</u>	<u>146,992</u>	<u>284,301</u>	<u>688,488</u>
<b>Fund balances, end of year</b>	<u>\$ 32,731</u>	<u>\$ 1,518,344</u>	<u>\$ 541,717</u>	<u>\$ 145,040</u>	<u>\$ 271,577</u>	<u>\$ 760,631</u>

**Special Revenue Funds**

<b>Law Library Fund</b>	<b>Sheriff Commissary Fund</b>	<b>Drug Confiscation Fund</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 9,468,403	\$ 9,468,403
-	-	38,719	-	258,203
50,228	186,346	-	-	2,979,163
-	-	-	3,070	4,956
<u>50,228</u>	<u>186,346</u>	<u>38,719</u>	<u>9,471,473</u>	<u>12,710,725</u>
82,302	-	-	-	288,489
-	197,843	82,721	-	3,243,526
-	-	-	231,557	231,557
-	-	-	5,555,000	5,555,000
-	-	-	<u>2,643,073</u>	<u>2,643,073</u>
<u>82,302</u>	<u>197,843</u>	<u>82,721</u>	<u>8,429,630</u>	<u>11,961,645</u>
(32,074)	(11,497)	(44,002)	1,041,843	749,080
<u>62,432</u>	<u>213,677</u>	<u>61,310</u>	<u>6,096,361</u>	<u>9,909,010</u>
<u>\$ 30,358</u>	<u>\$ 202,180</u>	<u>\$ 17,308</u>	<u>\$ 7,138,204</u>	<u>\$ 10,658,090</u>

**PAULDING COUNTY, GEORGIA  
VICTIMS-WITNESS ASSISTANCE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 160,000	\$ 110,000	\$ 98,521	\$ (11,479)
Total revenues	<u>160,000</u>	<u>110,000</u>	<u>98,521</u>	<u>(11,479)</u>
<b>Expenditures:</b>				
Current:				
Judicial	160,000	160,000	135,780	24,220
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>135,780</u>	<u>24,220</u>
Net changes in fund balances	-	(50,000)	(37,259)	12,741
<b>Fund balances, beginning of year</b>	<u>69,990</u>	<u>69,990</u>	<u>69,990</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 69,990</u>	<u>\$ 19,990</u>	<u>\$ 32,731</u>	<u>\$ 12,741</u>

**PAULDING COUNTY, GEORGIA  
EMERGENCY 911 FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 2,600,000	\$ 2,500,000	\$ 2,529,607	\$ 29,607
Interest income	-	-	1,020	1,020
Total revenues	<u>2,600,000</u>	<u>2,500,000</u>	<u>2,530,627</u>	<u>30,627</u>
<b>Expenditures:</b>				
Current:				
Public safety	3,333,300	3,333,300	2,663,665	669,635
Total expenditures	<u>3,333,300</u>	<u>3,333,300</u>	<u>2,663,665</u>	<u>669,635</u>
Net changes in fund balances	(733,300)	(833,300)	(133,038)	700,262
<b>Fund balances, beginning of year</b>	<u>1,651,382</u>	<u>1,651,382</u>	<u>1,651,382</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 918,082</u>	<u>\$ 818,082</u>	<u>\$ 1,518,344</u>	<u>\$ 700,262</u>

**PAULDING COUNTY, GEORGIA  
JAIL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 125,000	\$ 120,000	\$ 107,863	\$ (12,137)
Investment income	-	-	328	328
Total revenues	<u>125,000</u>	<u>120,000</u>	<u>108,191</u>	<u>(11,809)</u>
<b>Expenditures:</b>				
Current:				
Public safety	275,000	375,000	200,551	174,449
Total expenditures	<u>275,000</u>	<u>375,000</u>	<u>200,551</u>	<u>174,449</u>
Net changes in fund balances	(150,000)	(255,000)	(92,360)	162,640
<b>Fund balances, beginning of year</b>	<u>634,077</u>	<u>634,077</u>	<u>634,077</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 484,077</u>	<u>\$ 379,077</u>	<u>\$ 541,717</u>	<u>\$ 162,640</u>

**PAULDING COUNTY, GEORGIA  
SUPPLEMENTAL JUVENILE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 13,100	\$ (6,900)
Investment income	-	-	73	73
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>13,173</u>	<u>(6,827)</u>
<b>Expenditures:</b>				
Current:				
Public safety	20,000	20,000	15,125	4,875
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>15,125</u>	<u>4,875</u>
Net changes in fund balances	-	-	(1,952)	(1,952)
<b>Fund balances, beginning of year</b>	<u>146,992</u>	<u>146,992</u>	<u>146,992</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 146,992</u>	<u>\$ 146,992</u>	<u>\$ 145,040</u>	<u>\$ (1,952)</u>

**PAULDING COUNTY, GEORGIA  
DRUG USE TREATMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 70,788	\$ 20,788
Interest income	-	-	109	109
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>70,897</u>	<u>20,897</u>
<b>Expenditures:</b>				
Current:				
Public safety	50,000	100,000	83,621	16,379
Total expenditures	<u>50,000</u>	<u>100,000</u>	<u>83,621</u>	<u>16,379</u>
Net changes in fund balances	-	(50,000)	(12,724)	37,276
<b>Fund balances, beginning of year</b>	<u>284,301</u>	<u>284,301</u>	<u>284,301</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 284,301</u>	<u>\$ 234,301</u>	<u>\$ 271,577</u>	<u>\$ 37,276</u>

**PAULDING COUNTY, GEORGIA  
CLERK'S TECHNOLOGY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 120,000	\$ 120,000	\$ 142,194	\$ 22,194
Interest income	-	-	356	356
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>142,550</u>	<u>22,550</u>
<b>Expenditures:</b>				
Current:				
Judicial	120,000	120,000	70,407	49,593
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>70,407</u>	<u>49,593</u>
Net changes in fund balances	-	-	72,143	72,143
<b>Fund balances, beginning of year</b>	<u>688,488</u>	<u>688,488</u>	<u>688,488</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 688,488</u>	<u>\$ 688,488</u>	<u>\$ 760,631</u>	<u>\$ 72,143</u>

**PAULDING COUNTY, GEORGIA  
LAW LIBRARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 50,228	\$ 228
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,228</u>	<u>228</u>
<b>Expenditures:</b>				
Current:				
Judicial	50,000	85,000	82,302	2,698
Total expenditures	<u>50,000</u>	<u>85,000</u>	<u>82,302</u>	<u>2,698</u>
Net changes in fund balances	-	(35,000)	(32,074)	2,926
<b>Fund balances, beginning of year</b>	<u>62,432</u>	<u>62,432</u>	<u>62,432</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 62,432</u>	<u>\$ 27,432</u>	<u>\$ 30,358</u>	<u>\$ 2,926</u>

**PAULDING COUNTY, GEORGIA  
SHERIFF COMMISSARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 120,000	\$ 120,000	\$ 186,346	\$ 66,346
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>186,346</u>	<u>66,346</u>
<b>Expenditures:</b>				
Current:				
Public safety	120,000	120,000	197,843	(77,843)
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>197,843</u>	<u>(77,843)</u>
Net changes in fund balances	-	-	(11,497)	(11,497)
<b>Fund balances, beginning of year</b>	<u>213,677</u>	<u>213,677</u>	<u>213,677</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 213,677</u>	<u>\$ 213,677</u>	<u>\$ 202,180</u>	<u>\$ (11,497)</u>

**PAULDING COUNTY, GEORGIA  
DRUG CONFISCATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 38,719	\$ (11,281)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>38,719</u>	<u>(11,281)</u>
<b>Expenditures:</b>				
Current:				
Public safety	50,000	100,000	82,721	17,279
Total expenditures	<u>50,000</u>	<u>100,000</u>	<u>82,721</u>	<u>17,279</u>
Net changes in fund balances	-	(50,000)	(44,002)	5,998
<b>Fund balances, beginning of year</b>	<u>61,310</u>	<u>61,310</u>	<u>61,310</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 61,310</u></u>	<u><u>\$ 11,310</u></u>	<u><u>\$ 17,308</u></u>	<u><u>\$ 5,998</u></u>

**PAULDING COUNTY, GEORGIA  
DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 8,840,000	\$ 8,840,000	\$ 9,468,403	\$ 628,403
Investment income	-	-	3,070	3,070
Total revenues	<u>8,840,000</u>	<u>8,840,000</u>	<u>9,471,473</u>	<u>631,473</u>
<b>Expenditures:</b>				
Intergovernmental	235,000	235,000	231,557	3,443
Debt service:				
Principal	5,978,000	5,978,000	5,555,000	423,000
Interest and fees	<u>2,627,000</u>	<u>2,627,000</u>	<u>2,643,073</u>	<u>(16,073)</u>
Total expenditures	<u>8,840,000</u>	<u>8,840,000</u>	<u>8,429,630</u>	<u>410,370</u>
Net changes in fund balances	-	-	1,041,843	1,041,843
<b>Fund balances, beginning of year</b>	<u>6,096,361</u>	<u>6,096,361</u>	<u>6,096,361</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>\$ 6,096,361</u></u>	<u><u>\$ 6,096,361</u></u>	<u><u>\$ 7,138,204</u></u>	<u><u>\$ 1,041,843</u></u>

**PAULDING COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL  
OPTION SALES TAX PROCEEDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
<b>SPLOST IV</b>					
Roads, streets and bridges	\$ 47,528,348	\$ 47,528,348	\$ 32,581,815	\$ 8,305,031	\$ 40,886,846
Public safety and fire protection facilities and equipment	17,554,024	17,554,024	16,068,289	190,054	16,258,343
Recreation	16,560,400	16,560,400	6,510,254	5,172,519	11,682,773
Economic Development: Fiber Optic Communications	1,159,228	1,159,228	74,989	-	74,989
Payments to City of Dallas	6,840,000	6,413,927	6,413,927	-	6,413,927
Payments to City of Hiram	5,358,000	5,024,244	5,024,244	-	5,024,244
<b>Total SPLOST IV expenditures</b>	<b>\$ 95,000,000</b>	<b>\$ 94,240,171</b>	<b>\$ 66,673,518</b>	<b>\$ 13,667,604</b>	<b>\$ 80,341,122</b>
<b>Non-SPLOST expenditures*</b>					
Roads, streets and bridges			\$ 1,274,386	\$ 5,960	
Public safety and fire protection facilities and equipment			1,310,510	-	
<b>Total non-SPLOST expenditures</b>			<b>2,584,896</b>	<b>5,960</b>	
<b>Total Project expenditures</b>			<b>\$ 69,258,414</b>	<b>\$ 13,673,564</b>	
*Paulding County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:					
State Department of Transportation			\$ 307,255	\$ -	
Georgia Emergency Management Agency			176,000	-	
Federal Emergency Management Agency			934,091	-	
Developers			463,331	5,960	
Sale of surplus property			503,800	-	
City of Dallas			56,994	-	
City of Hiram			64,639	-	
West Metro			590	-	
Paulding County Board of Education			78,196	-	
			<b>\$ 2,584,896</b>	<b>\$ 5,960</b>	

**PAULDING COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL  
OPTION SALES TAX PROCEEDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Project</u>	<u>Estimated Cost</u>		<u>Expenditures</u>		<u>Total</u>
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	
<b>SPLOST V</b>					
Roads, streets and bridges	\$ 54,868,660	\$ 54,868,660	\$ -	\$ 106,880	\$ 106,880
Public safety and fire protection facilities and equipment	22,176,880	22,176,880	-	810,703	810,703
Recreation	17,206,200	17,206,200	-	283,430	283,430
Economic Development: Fiber Optic Communications	1,338,260	1,338,260	-	-	-
Payments to City of Dallas	8,030,000	8,030,000	194,802	1,215,461	1,410,263
Payments to City of Hiram	6,380,000	6,380,000	154,774	965,708	1,120,482
<b>Total SPLOST V expenditures</b>	<b>\$ 110,000,000</b>	<b>\$ 110,000,000</b>	<b>\$ 349,576</b>	<b>\$ 3,382,182</b>	<b>\$ 3,731,758</b>
<b>Non-SPLOST expenditures*</b>					
Roads, streets and bridges			\$ -	\$ -	
Public safety and fire protection facilities and equipment			-	310,000	
<b>Total non-SPLOST expenditures</b>			<b>-</b>	<b>310,000</b>	
<b>Total Project expenditures</b>			<b>\$ 349,576</b>	<b>\$ 3,692,182</b>	
*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			\$ -	\$ -	
Georgia Emergency Management Agency			-	-	
Federal Emergency Management Agency			-	-	
Developers			-	-	
Sale of capital assets			-	310,000	
City of Dallas			-	-	
City of Hiram			-	-	
West Metro			-	-	
Paulding County Board of Education			-	-	
			<b>\$ -</b>	<b>\$ 310,000</b>	

## ENTERPRISE FUNDS

---

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

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

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

**PAULDING COUNTY, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2018**

<b>ASSETS</b>	<b>Solid Waste Fund</b>	<b>DFACS Building Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
Current assets:			
Cash	\$ -	\$ 1,196,187	\$ 1,196,187
Receivables	64,384	-	64,384
Total current assets	<u>64,384</u>	<u>1,196,187</u>	<u>1,260,571</u>
Noncurrent assets:			
Advances to other funds	1,089,677	-	1,089,677
Capital assets:			
Capital assets, not being depreciated	612,233	-	612,233
Capital assets, being depreciated	2,605,491	3,114,495	5,719,986
Less accumulated depreciation	<u>(2,033,677)</u>	<u>(1,265,258)</u>	<u>(3,298,935)</u>
Total capital assets, net of accumulated depreciation	<u>1,184,047</u>	<u>1,849,237</u>	<u>3,033,284</u>
Total noncurrent assets	<u>2,273,724</u>	<u>1,849,237</u>	<u>4,122,961</u>
Total assets	<u>2,338,108</u>	<u>3,045,424</u>	<u>5,383,532</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	32,632	-	32,632
Due to other funds	-	7,316	7,316
Compensated absences, current	22,145	-	22,145
Postclosure care cost, current	615,000	-	615,000
Total current liabilities	<u>669,777</u>	<u>7,316</u>	<u>677,093</u>
Long-term liabilities:			
Compensated absences	9,490	-	9,490
Postclosure care cost	3,296,149	-	3,296,149
Total long-term liabilities	<u>3,305,639</u>	<u>-</u>	<u>3,305,639</u>
Total liabilities	<u>3,975,416</u>	<u>7,316</u>	<u>3,982,732</u>
<b>NET POSITION</b>			
Investment in capital assets	1,184,047	1,849,237	3,033,284
Unrestricted	<u>(2,821,355)</u>	<u>1,188,871</u>	<u>(1,632,484)</u>
Total net position	<u>\$ (1,637,308)</u>	<u>\$ 3,038,108</u>	<u>\$ 1,400,800</u>

**PAULDING COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Solid Waste Fund</b>	<b>DFACS Building Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Landfill and recycling fees	1,114,735	-	1,114,735
Lease income	-	343,094	343,094
Total operating revenues	<u>1,114,735</u>	<u>343,094</u>	<u>1,457,829</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	343,412	-	343,412
Other operating expenses	955,483	4,373	959,856
Depreciation expense	78,299	77,862	156,161
Total operating expenses	<u>1,377,194</u>	<u>82,235</u>	<u>1,459,429</u>
Operating income (loss)	(262,459)	260,859	(1,600)
<b>INCOME BEFORE TRANSFERS</b>	(262,459)	260,859	(1,600)
Transfers in	750,000	-	750,000
Total transfers	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Change in net position	487,541	260,859	748,400
<b>NET POSITION, beginning of year</b>	<u>(2,124,849)</u>	<u>2,777,249</u>	<u>652,400</u>
<b>NET POSITION, end of year</b>	<u>\$ (1,637,308)</u>	<u>\$ 3,038,108</u>	<u>\$ 1,400,800</u>

**PAULDING COUNTY, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Solid Waste Fund</u>	<u>DFACS Building Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,125,673	\$ 343,094	\$ 1,468,767
Payments to suppliers and service providers	(1,033,091)	-	(1,033,091)
Payments to employees	(340,144)	-	(340,144)
Net cash provided by (used in) operating activities	<u>(247,562)</u>	<u>343,094</u>	<u>95,532</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	<u>(502,438)</u>	<u>-</u>	<u>(502,438)</u>
Net cash used in capital and related financing activities	<u>(502,438)</u>	<u>-</u>	<u>(502,438)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Net cash provided by noncapital financing activities	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Net increase in cash and cash equivalents	-	343,094	343,094
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>-</u>	<u>853,093</u>	<u>853,093</u>
End of year	<u>\$ -</u>	<u>\$ 1,196,187</u>	<u>\$ 1,196,187</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (262,459)	\$ 260,859	\$ (1,600)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	78,299	77,862	156,161
Decrease in accounts receivable	10,938	-	10,938
Increase in advances to other funds	(161,026)	-	(161,026)
Decrease in accounts payable	(34,266)	-	(34,266)
Increase in due to other funds	-	4,373	4,373
Increase in compensated absences	3,268	-	3,268
Net cash provided by (used in) operating activities	<u>\$ (247,562)</u>	<u>\$ 343,094</u>	<u>\$ 95,532</u>

## **AGENCY FUNDS**

---

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

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

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

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

**Clerk of Superior Court**  
**Probate Court**  
**Court Administration**

**PAULDING COUNTY, GEORGIA**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2018**

---

<b><u>ASSETS</u></b>	<b><u>Tax Commissioner</u></b>	<b><u>Sheriff</u></b>	<b><u>Clerk of Superior Court</u></b>	<b><u>Probate Court</u></b>	<b><u>Court Administration</u></b>	<b><u>Total</u></b>
Cash	\$ 1,847,632	\$ 262,383	\$ 2,295,317	\$ 125,493	\$ 27,813	\$ 4,558,638
Taxes receivable	1,269,053	-	-	-	-	1,269,053
<b>Total assets</b>	<b>\$ 3,116,685</b>	<b>\$ 262,383</b>	<b>\$ 2,295,317</b>	<b>\$ 125,493</b>	<b>\$ 27,813</b>	<b>\$ 5,827,691</b>
<b><u>LIABILITIES</u></b>						
Due to others	\$ 1,847,632	\$ 262,383	\$ 2,295,317	\$ 125,493	\$ 27,813	\$ 4,558,638
Uncollected taxes	1,269,053	-	-	-	-	1,269,053
<b>Total liabilities</b>	<b>\$ 3,116,685</b>	<b>\$ 262,383</b>	<b>\$ 2,295,317</b>	<b>\$ 125,493</b>	<b>\$ 27,813</b>	<b>\$ 5,827,691</b>

**PAULDING COUNTY, GEORGIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Balance July 1, 2017</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2018</b>
<b><u>Tax Commissioner</u></b>				
<b>ASSETS</b>				
Cash	\$ 1,860,201	\$ 152,908,994	\$ (152,921,563)	\$ 1,847,632
Taxes receivable	1,631,490	116,006,134	(116,368,571)	1,269,053
Total assets	<u>\$ 3,491,691</u>	<u>\$ 268,915,128</u>	<u>\$ (269,290,134)</u>	<u>\$ 3,116,685</u>
<b>LIABILITIES</b>				
Due to others	\$ 1,860,201	\$ 152,908,994	\$ (152,921,563)	\$ 1,847,632
Uncollected taxes	1,631,490	116,006,134	(116,368,571)	1,269,053
Total liabilities	<u>\$ 3,491,691</u>	<u>\$ 268,915,128</u>	<u>\$ (269,290,134)</u>	<u>\$ 3,116,685</u>
<b><u>Sheriff</u></b>				
<b>ASSETS</b>				
Cash	\$ 280,435	\$ 930,181	\$ (948,233)	\$ 262,383
Total assets	<u>\$ 280,435</u>	<u>\$ 930,181</u>	<u>\$ (948,233)</u>	<u>\$ 262,383</u>
<b>LIABILITIES</b>				
Due to others	\$ 280,435	\$ 930,181	\$ (948,233)	\$ 262,383
Total liabilities	<u>\$ 280,435</u>	<u>\$ 930,181</u>	<u>\$ (948,233)</u>	<u>\$ 262,383</u>
<b><u>Clerk of Superior Court</u></b>				
<b>ASSETS</b>				
Cash	\$ 2,087,154	\$ 8,364,422	\$ (8,156,259)	\$ 2,295,317
Total assets	<u>\$ 2,087,154</u>	<u>\$ 8,364,422</u>	<u>\$ (8,156,259)</u>	<u>\$ 2,295,317</u>
<b>LIABILITIES</b>				
Due to others	\$ 2,087,154	\$ 8,364,422	\$ (8,156,259)	\$ 2,295,317
Total liabilities	<u>\$ 2,087,154</u>	<u>\$ 8,364,422</u>	<u>\$ (8,156,259)</u>	<u>\$ 2,295,317</u>

(Continued)

**PAULDING COUNTY, GEORGIA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
<b><u>Probate Court</u></b>				
<b>ASSETS</b>				
Cash	\$ 134,971	\$ 2,100,402	\$ (2,109,880)	\$ 125,493
Total assets	<u>\$ 134,971</u>	<u>\$ 2,100,402</u>	<u>\$ (2,109,880)</u>	<u>\$ 125,493</u>
<b>LIABILITIES</b>				
Due to others	\$ 134,971	\$ 2,100,402	\$ (2,109,880)	\$ 125,493
Total liabilities	<u>\$ 134,971</u>	<u>\$ 2,100,402</u>	<u>\$ (2,109,880)</u>	<u>\$ 125,493</u>
<b><u>Court Administration</u></b>				
<b>ASSETS</b>				
Cash	\$ 19,275	\$ 584,610	\$ (576,072)	\$ 27,813
Total assets	<u>\$ 19,275</u>	<u>\$ 584,610</u>	<u>\$ (576,072)</u>	<u>\$ 27,813</u>
<b>LIABILITIES</b>				
Due to others	\$ 19,275	\$ 584,610	\$ (576,072)	\$ 27,813
Total liabilities	<u>\$ 19,275</u>	<u>\$ 584,610</u>	<u>\$ (576,072)</u>	<u>\$ 27,813</u>
<b><u>Total Agency Funds</u></b>				
<b>ASSETS</b>				
Cash	\$ 4,382,036	\$ 164,888,609	\$ (164,712,007)	\$ 4,558,638
Taxes receivable	1,631,490	116,006,134	(116,368,571)	1,269,053
Total assets	<u>\$ 6,013,526</u>	<u>\$ 280,894,743</u>	<u>\$ (281,080,578)</u>	<u>\$ 5,827,691</u>
<b>LIABILITIES</b>				
Due to others	\$ 4,382,036	\$ 164,888,609	\$ (164,712,007)	\$ 4,558,638
Uncollected taxes	1,631,490	116,006,134	(116,368,571)	1,269,053
Total liabilities	<u>\$ 6,013,526</u>	<u>\$ 280,894,743</u>	<u>\$ (281,080,578)</u>	<u>\$ 5,827,691</u>

PAULDING COUNTY, GEORGIA

STATEMENT OF CASH FLOWS  
COMPONENT UNIT - PAULDING COUNTY AIRPORT AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 910,257
Payments to suppliers and service providers	(714,949)
Payments to employees for salaries and benefits	(155,427)
Net cash provided by operating activities	<u>39,881</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating grants from Paulding County	<u>325,000</u>
Net cash provided by noncapital financing activities	<u>325,000</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal payments received from Paulding County	345,000
Interest payments received from Paulding County	49,337
Purchase of capital assets	(104,100)
Principal payments on notes payable	(15,508)
Principal payments on due to Paulding County Industrial Building Authority	(65,000)
Principal payments on revenue bonds	(345,000)
Interest payments on revenue bonds	(49,377)
Net cash used in capital and related financing activities	<u>(184,648)</u>

Net increase in cash 180,233

**Cash:**

Beginning of year	<u>-</u>
End of year	<u>\$ 180,233</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$ (570,375)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	182,664
Changes in assets and liabilities:	
Increase in other receivable	(1,049)
Decrease in due from Paulding County	770,412
Increase in other assets	(18,683)
Decrease in accounts payable	(319,647)
Decrease in accrued liabilities	(3,441)
Net cash provided by operating activities	<u>\$ 39,881</u>

# STATISTICAL SECTION

---

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

	<u>Page</u>
<b>Financial Trends .....</b>	<b>93-97</b>
<b>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity.....</b>	<b>98-101</b>
<b>These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.</b>	
<b>Debt Capacity.....</b>	<b>102-106</b>
<b>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</b>	
<b>Demographic and Economic Information .....</b>	<b>107 and 108</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</b>	
<b>Operating Information.....</b>	<b>109-111</b>
<b>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</b>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

# PAULDING COUNTY, GEORGIA

## NET POSITION BY COMPONENT Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 286,905	\$ 297,040	\$ 309,392	\$ 317,191	\$ 323,994	\$ 348,388	\$ 352,136	\$ 353,602	\$ 378,740	\$ 392,645
Restricted:	31,811	33,746	33,998	38,480	40,181	40,910	43,627	50,425	44,813	46,140
Unrestricted:	18,027	20,674	24,187	27,326	36,275	37,004	38,231	40,480	51,155	53,800
Total governmental activities net position	\$ 336,743	\$ 351,460	\$ 367,577	\$ 382,997	\$ 400,450	\$ 426,302	\$ 433,994	\$ 444,508	\$ 474,708	\$ 492,585
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 121,465	\$ 110,792	\$ 110,693	\$ 109,919	\$ 109,324	\$ 109,486	\$ 109,802	\$ 115,440	\$ 131,297	\$ 136,087
Restricted	19,904	18,497	20,760	18,101	17,573	16,337	25,633	32,292	33,702	45,061
Unrestricted	2,562	6,885	5,811	10,533	13,141	19,199	15,779	14,780	9,156	7,787
Total business-type activities net position	\$ 143,931	\$ 136,174	\$ 137,264	\$ 138,553	\$ 140,038	\$ 145,022	\$ 151,214	\$ 162,512	\$ 174,155	\$ 189,935
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 408,370	\$ 407,832	\$ 420,085	\$ 427,110	\$ 433,318	\$ 457,874	\$ 461,938	\$ 469,042	\$ 510,038	\$ 528,731
Restricted	51,715	52,243	54,758	56,581	57,754	57,247	69,260	82,718	78,514	91,201
Unrestricted	20,589	27,559	29,998	37,859	49,416	56,203	54,010	55,261	60,311	61,588
Total primary government net position	\$ 480,674	\$ 487,634	\$ 504,841	\$ 521,550	\$ 540,488	\$ 571,324	\$ 585,208	\$ 607,020	\$ 648,863	\$ 681,520
Restatements	\$ (6,370)	\$ 1,208	\$ -	\$ (1,263)	\$ -	\$ (5,798)	\$ 1,684	\$ -	\$ -	\$ -
Total primary government net position, after restatements	\$ 474,304	\$ 488,842	\$ 504,841	\$ 520,287	\$ 540,488	\$ 565,526	\$ 586,892	\$ 607,020	\$ 648,863	\$ 681,520

**PAULDING COUNTY, GEORGIA**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 15,134,639	\$ 14,098,539	\$ 13,857,914	\$ 12,828,690	\$ 13,486,082	\$ 16,161,698	\$ 13,467,900	\$ 17,912,882	\$ 16,900,789	\$ 16,929,301
Judicial	5,287,183	5,151,644	5,110,368	4,968,486	4,950,952	4,988,519	5,369,441	6,159,356	5,891,909	6,439,003
Public safety	28,967,134	29,170,128	30,212,938	30,727,439	31,408,123	32,541,547	34,910,648	35,793,907	37,680,165	38,810,813
Public works	17,090,062	18,418,050	18,359,434	20,546,641	17,230,240	15,932,680	16,861,667	21,218,229	19,507,720	22,481,048
Health and welfare	1,811,145	1,914,298	1,902,239	1,720,419	1,572,223	1,101,925	1,090,330	1,101,180	1,112,089	1,131,064
Culture and recreation	3,349,656	3,408,073	3,575,759	3,338,955	3,035,558	3,887,285	4,119,965	4,210,910	4,297,563	4,930,312
Housing and development	2,233,494	2,835,188	3,373,239	2,905,201	7,009,854	3,494,755	3,115,861	6,660,286	2,839,882	3,093,355
Interest on long term debt	3,915,011	3,685,045	3,174,633	3,434,916	3,252,729	3,228,459	3,054,321	2,614,976	2,510,741	4,730,793
Intergovernmental	77,788,324	82,737,256	79,566,524	80,470,747	81,945,761	81,336,868	91,207,804	95,671,736	90,740,858	98,545,689
Business-type activities:										
Water and sewer	20,444,230	22,764,941	23,625,349	24,760,061	25,298,500	25,070,543	26,610,733	28,389,824	31,639,600	36,941,935
DFACS building	160,480	149,806	145,342	136,802	133,435	129,039	206,940	133,476	87,167	82,235
Solid waste	2,906,377	918,100	920,355	859,441	935,999	845,047	899,740	1,318,065	1,604,773	1,377,194
Total business-type activities expense	23,511,087	23,832,847	24,691,046	25,756,304	26,367,934	26,044,629	27,717,413	29,841,365	33,331,540	38,401,364
Total primary government expense	\$ 101,299,411	\$ 106,570,103	\$ 104,257,570	\$ 106,227,051	\$ 108,313,696	\$ 107,381,497	\$ 118,925,217	\$ 125,513,101	\$ 124,072,398	\$ 136,947,053
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 3,033,474	\$ 2,397,118	\$ 2,132,286	\$ 1,864,262	\$ 1,977,998	\$ 2,045,515	\$ 2,209,102	\$ 2,359,472	\$ 2,630,665	\$ 2,868,199
Judicial	3,201,439	3,492,115	3,403,827	3,346,870	3,351,315	2,656,769	2,475,097	2,614,288	2,796,435	2,714,496
Public safety	2,312,619	3,502,410	3,074,576	2,654,077	2,867,671	3,412,588	3,610,189	3,521,329	4,282,488	3,853,697
Public works	1,021,306	1,069,047	1,181,796	1,084,215	1,114,756	1,196,716	1,205,856	1,256,622	1,356,297	1,282,100
Housing and development	713,609	444,926	269,317	283,264	539,051	810,710	859,955	833,725	1,549,347	2,346,564
Other activities	352,270	344,837	372,423	452,223	476,720	504,372	517,190	600,916	641,921	617,179
Operating grants and contributions	1,311,103	455,452	726,533	866,016	618,866	350,281	361,075	422,534	331,296	562,505
Capital grants and contributions	19,614,453	9,599,840	11,522,537	12,311,297	13,268,628	17,904,480	10,840,920	9,267,047	17,056,632	3,361,004
Total governmental activities program revenues	\$ 31,560,273	\$ 21,305,745	\$ 22,683,295	\$ 22,862,224	\$ 24,215,205	\$ 28,884,431	\$ 22,079,384	\$ 20,875,943	\$ 30,645,081	\$ 17,606,144

continued

**PAULDING COUNTY, GEORGIA**

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>										
Business-type activities:										
Charges for services	\$ 20,393,240	\$ 21,961,696	\$ 23,586,071	\$ 24,930,836	\$ 25,563,847	\$ 26,599,779	\$ 28,566,440	\$ 30,458,757	\$ 34,403,385	\$ 36,278,944
Water and sewer	332,499	332,876	333,315	343,280	343,971	343,569	371,466	342,978	342,969	343,094
DFACS building	683,249	762,270	742,281	764,696	572,032	749,898	786,626	1,152,120	1,536,372	1,114,735
Solid waste	1,331,978	1,731,329	836,962	762,232	1,677,562	3,095,368	3,954,969	6,419,862	8,402,225	13,046,445
Capital grants and contributions	22,740,966	24,788,171	25,498,829	26,801,044	28,157,412	30,788,614	33,679,501	38,373,717	44,684,971	50,783,218
Total business-type activities program revenues	\$ 46,093,916	\$ 48,181,924	\$ 49,663,268	\$ 52,372,617	\$ 52,372,617	\$ 59,673,045	\$ 55,758,885	\$ 59,249,660	\$ 75,330,052	\$ 68,389,362
Total primary government program revenues	\$ 46,093,916	\$ 48,181,924	\$ 49,663,268	\$ 52,372,617	\$ 52,372,617	\$ 59,673,045	\$ 55,758,885	\$ 59,249,660	\$ 75,330,052	\$ 68,389,362
Net (expense)/revenue	\$ (46,228,051)	\$ (61,431,511)	\$ (56,883,229)	\$ (57,608,523)	\$ (57,730,556)	\$ (52,452,437)	\$ (69,128,420)	\$ (74,795,793)	\$ (60,095,777)	\$ (80,839,545)
Governmental activities	(770,121)	955,324	807,583	1,044,740	1,789,478	4,743,985	5,962,068	8,532,352	11,353,431	12,381,854
Business-type activities	\$ (46,998,172)	\$ (60,476,187)	\$ (56,075,646)	\$ (56,563,783)	\$ (55,941,078)	\$ (47,708,452)	\$ (63,166,332)	\$ (66,263,441)	\$ (48,742,346)	\$ (68,557,691)
Total primary government net (expense) revenue	\$ (46,998,172)	\$ (60,476,187)	\$ (56,075,646)	\$ (56,563,783)	\$ (55,941,078)	\$ (47,708,452)	\$ (63,166,332)	\$ (66,263,441)	\$ (48,742,346)	\$ (68,557,691)
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 29,311,208	\$ 28,174,129	\$ 27,199,533	\$ 25,592,760	\$ 25,594,931	\$ 27,837,664	\$ 27,923,398	\$ 27,834,758	\$ 27,654,274	\$ 32,189,827
Property taxes, levied for debt service	2,129,805	6,221,571	6,340,442	6,025,724	5,870,760	6,383,258	7,348,110	8,203,298	8,317,260	9,184,256
Property taxes, levied for fire service	8,382,153	7,833,792	6,922,416	6,354,045	8,490,192	8,561,817	9,876,468	11,093,884	12,067,843	13,314,305
Intangible recording tax	961,019	658,540	618,349	669,945	1,206,286	941,803	1,018,672	1,352,739	1,538,672	1,600,911
Local option sales tax	11,523,617	11,624,716	11,700,037	12,514,606	12,365,806	12,085,054	12,723,171	12,905,919	13,251,618	14,348,628
Special local option sales tax	11,745,254	13,506,950	13,422,530	14,357,398	14,322,252	14,129,720	14,886,039	15,108,307	15,510,716	16,781,606
Insurance premium tax	3,740,263	3,686,633	3,585,518	5,311,731	5,674,609	5,897,844	6,222,989	6,663,849	7,091,400	7,593,509
Alcoholic beverage tax	620,450	664,404	669,278	669,606	684,498	690,005	644,953	733,214	790,732	848,245
Cable TV franchise tax	944,382	1,016,474	1,047,225	1,226,183	1,305,951	1,359,280	1,458,951	1,553,825	1,530,011	1,578,821
Real estate transfer tax	211,081	111,904	95,218	92,049	141,348	234,686	308,685	363,140	435,857	547,278
Business tax	-	-	292,780	317,596	347,367	300,165	330,013	482,836	616,319	618,233
Energy excise tax	-	193,452	96,630	82,470	54,858	717	3,028	-	-	-
Interest earned on investments	-	-	-	22,877	22,877	22,877	11,125	-	-	892,488
Gain on sale of capital assets	-	-	-	14,488	14,488	14,488	11,125	-	-	68,162
Miscellaneous	-	-	2,408	-	-	-	-	-	-	-
Transfers	(500,000)	2,455,595	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(2,731,528)	(200,000)	(750,000)
Total governmental activities	69,850,908	76,148,160	71,792,364	73,028,601	75,882,452	79,304,826	82,617,476	83,626,516	90,285,836	98,816,269
Business-type activities	445,117	(2,342,023)	281,978	244,214	260,256	239,630	230,659	2,765,400	289,503	2,398,345
Total primary government	\$ 70,296,025	\$ 73,806,137	\$ 72,074,342	\$ 73,272,815	\$ 76,142,708	\$ 79,544,456	\$ 82,848,135	\$ 86,391,916	\$ 90,585,339	\$ 101,214,614
<b>Changes in Net Position</b>										
Governmental activities	\$ 23,622,857	\$ 14,716,649	\$ 14,909,136	\$ 15,420,078	\$ 18,151,896	\$ 25,852,389	\$ 13,489,056	\$ 8,830,723	\$ 30,200,059	\$ 17,876,724
Business-type activities	(325,004)	(1,386,699)	1,089,561	1,288,954	2,049,734	4,983,615	6,192,747	11,297,752	11,642,934	14,780,199
Total primary government	\$ 23,297,853	\$ 13,329,950	\$ 15,998,697	\$ 16,709,032	\$ 20,201,630	\$ 30,836,004	\$ 19,681,803	\$ 20,128,475	\$ 41,842,993	\$ 32,656,923

# PAULDING COUNTY, GEORGIA

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Non-spendable fund balance	\$ 348,125	\$ 328,649	\$ 369,532	\$ 401,964	\$ 479,709	\$ 515,676	\$ 134,263	\$ 154,717	\$ 130,037	\$ 709,604
Restricted	-	-	351,717	-	-	-	-	-	-	-
Assigned	724,303	3,094,253	3,647,117	2,820,546	7,014,545	9,143,060	7,153,172	6,077,143	12,017,200	11,216,994
Unassigned	15,849,241	16,470,220	18,359,367	23,264,808	28,007,092	30,845,409	37,771,468	41,927,160	47,747,071	52,535,197
<b>Total General Fund</b>	<b>\$ 16,921,669</b>	<b>\$ 19,893,122</b>	<b>\$ 22,727,733</b>	<b>\$ 26,487,318</b>	<b>\$ 35,501,346</b>	<b>\$ 40,504,145</b>	<b>\$ 45,058,903</b>	<b>\$ 48,159,020</b>	<b>\$ 59,894,308</b>	<b>\$ 64,461,795</b>
<b>All other governmental funds</b>										
Restricted	\$ 30,142,577	\$ 31,947,797	\$ 35,488,805	\$ 39,231,507	\$ 40,768,217	\$ 40,289,627	\$ 42,976,052	\$ 49,807,071	\$ 44,361,945	\$ 115,534,125
Committed	-	-	166,972	195,566	190,787	201,105	197,478	180,058	213,677	202,180
Assigned fund	4,974,557	5,153,393	733,069	429,034	1,104,093	133,769	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 35,117,134</b>	<b>\$ 37,101,190</b>	<b>\$ 36,388,846</b>	<b>\$ 39,856,107</b>	<b>\$ 42,063,097</b>	<b>\$ 40,624,501</b>	<b>\$ 43,173,530</b>	<b>\$ 49,987,129</b>	<b>\$ 44,575,622</b>	<b>\$ 115,736,305</b>

\*Paulding County implemented GASB 54 in 2011

# PAULDING COUNTY, GEORGIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 69,425,275	\$ 73,507,364	\$ 71,902,947	\$ 72,726,010	\$ 76,420,730	\$ 78,530,992	\$ 83,052,074	\$ 86,457,235	\$ 89,263,548	\$ 99,129,094
Licenses and permits	418,666	314,199	396,477	401,286	583,840	700,449	799,445	866,137	1,035,364	1,724,697
Intergovernmental*	17,994,489	7,556,746	12,863,115	8,602,078	13,438,765	8,478,505	2,745,819	4,068,427	5,163,800	2,843,444
Fines and forfeitures	1,870,675	2,177,006	1,916,401	1,809,874	1,790,623	1,665,816	1,393,119	1,371,176	1,443,595	1,392,996
Charges for services	7,507,272	7,949,596	7,721,805	7,086,883	7,518,179	7,822,728	8,193,060	8,584,244	10,030,752	9,956,301
Investment earnings	781,674	193,451	182,125	158,175	147,622	104,227	92,462	155,505	377,639	1,119,509
Contributions and donations	881,872	489,124	596,635	202,237	357,199	270,244	322,073	1,021,920	388,273	53,888
Miscellaneous	442,094	544,246	314,047	384,871	433,835	349,094	381,653	514,840	582,910	559,681
Total revenues	99,322,017	92,711,732	95,893,552	91,371,414	100,690,793	97,922,055	96,979,705	103,029,484	108,233,838	116,779,610
<b>Expenditures</b>										
General government	11,081,126	11,207,834	11,256,783	10,233,219	11,010,598	11,954,367	12,176,378	12,632,078	11,360,379	12,485,009
Judicial	5,171,580	5,045,118	5,008,761	5,005,183	4,927,934	4,978,802	5,321,765	6,122,941	5,861,159	6,444,890
Public Safety	27,550,200	27,534,354	28,182,770	29,174,642	29,683,023	31,055,652	33,174,672	33,815,083	35,872,195	37,834,655
Public works	11,454,071	12,479,067	10,695,703	11,866,358	8,537,966	9,485,961	10,282,390	13,343,685	12,434,833	16,532,068
Health and welfare	1,745,749	1,858,875	1,856,781	1,692,810	1,012,845	1,057,318	1,062,506	1,046,380	1,032,947	1,107,254
Culture and recreation	2,837,411	2,820,172	2,866,307	2,600,661	2,799,616	3,335,571	3,367,942	3,451,854	3,562,865	4,098,989
Housing and development	3,040,188	2,073,949	2,600,816	2,048,471	1,943,792	2,715,439	2,331,184	2,051,360	2,107,320	2,047,652
Capital outlay	47,761,495	19,150,903	22,910,133	13,348,602	18,158,525	26,934,285	18,466,921	12,757,654	22,386,818	21,667,575
Debt service										
Principal	2,450,000	2,545,000	2,395,000	2,545,000	2,970,000	3,470,000	4,155,000	5,130,000	5,340,000	5,555,000
Interest	4,034,357	3,860,850	3,693,609	3,600,576	3,504,287	2,864,914	2,709,634	2,314,268	2,280,938	2,643,073
Issuance costs	-	138,064	-	-	-	550,005	328,665	-	-	770,580
Intergovernmental	-	1,350,696	1,439,814	1,843,534	5,512,556	1,813,713	1,972,651	1,939,884	1,997,490	2,412,726
Total expenditures	117,126,177	90,064,882	92,906,477	83,959,056	90,061,142	100,216,472	95,289,708	94,605,187	104,236,944	113,599,471
Excess (deficiency) of revenues over (under) expenditures	(17,804,160)	2,646,850	2,987,075	7,412,358	10,629,651	(2,294,417)	1,689,997	8,424,297	3,998,894	3,180,139
<b>Other financing sources (uses)</b>										
Transfers in	6,960,000	4,990,595	-	-	665,836	436,954	553,237	-	2,058,806	2,200,000
Transfers out	(7,460,000)	(2,535,000)	(200,000)	(200,000)	(865,836)	(636,954)	(753,237)	(200,000)	(2,258,806)	(2,950,000)
Refunding bonds issued	-	5,129,938	-	-	-	46,591,069	33,049,000	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	768,490	-	-	-	-	67,385,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	(5,276,874)	-	-	-	(40,562,979)	(27,446,335)	-	-	5,385,580
Sale of capital assets	-	-	-	-	-	30,530	11,125	5,540	2,524,887	527,451
Total other financing sources (uses)	(500,000)	2,308,659	(164,837)	(185,512)	591,367	5,858,620	5,413,790	(194,460)	2,324,887	72,548,031
<b>Net change in fund balances</b>	\$ (18,304,160)	\$ 4,955,509	\$ 2,822,238	\$ 7,226,846	\$ 11,221,018	\$ 3,564,203	\$ 7,103,787	\$ 8,229,837	\$ 6,323,781	\$ 75,728,170
Debt service as a percentage of noncapital expenditures	10.31%	10.38%	9.75%	9.81%	8.87%	8.66%	9.11%	9.17%	9.46%	10.33%

\* Intergovernmental revenue varies according to the grants received.

# PAULDING COUNTY, GEORGIA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (in thousands)

Digest Year	Real Property	Privately Owned Public Utilities	Personal and Business	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2008	\$ 3,622,563	\$ 78,043	\$ 886,331	\$ 4,586,937	9.00	\$ 11,467,343
2009	3,334,739	81,707	906,124	4,322,570	10.25	10,806,425
2010	2,660,186	88,174	838,063	3,586,423	11.47	8,966,058
2011	2,401,829	88,174	782,267	3,272,271	11.47	8,180,677
2012	2,139,438	88,174	784,480	3,012,091	13.44	7,530,228
2013	2,159,641	88,138	806,351	3,054,131	13.54	7,635,326
2014	2,545,886	103,722	768,704	3,418,312	12.57	8,545,780
2015	2,965,322	107,620	692,974	3,765,916	11.85	9,414,790
2016	3,218,186	106,898	668,763	3,993,847	11.36	9,984,618
2017	4,130,955	116,084	642,899	4,889,938	11.67	12,224,845

Source: Paulding County Tax Assessors

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

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

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

# PAULDING COUNTY, GEORGIA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years

Digest Year	Paulding County				Overlapping Rates							Total Direct & Overlapping Rates
	Operating Millage		Debt Service Millage	Fire Tax Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	State of Georgia	City of Dallas	City of Hiram	
	Incorporated	Unincorporated										
2008	6.50	6.50	0.50	2.00	9.00	18.91	2.96	21.87	0.25	3.79	-	34.91
2009	6.65	6.65	1.60	2.00	10.25	18.91	2.96	21.87	0.25	3.79	-	36.16
2010	7.60	7.60	1.87	2.00	11.47	18.91	2.96	21.87	0.25	3.79	-	37.38
2011	7.60	7.60	1.87	2.00	11.47	18.91	2.96	18.91	0.25	3.79	-	34.42
2012	8.29	8.29	2.05	3.10	13.44	18.91	0.00	18.91	0.20	4.17	-	36.72
2013	8.22	8.22	2.22	3.10	13.54	18.88	0.00	18.88	0.15	4.17	-	36.74
2014	7.25	7.25	2.22	3.10	12.57	18.88	0.00	18.88	0.10	4.17	-	35.72
2015	6.53	6.53	2.22	3.10	11.85	18.88	0.00	18.88	0.05	4.17	-	34.95
2016	6.19	6.19	2.07	3.10	11.36	18.88	0.00	18.88	0.00	4.17	-	34.41
2017	6.50	6.50	2.07	3.10	11.67	18.88	0.00	18.88	0.00	4.17	-	34.72

Source: Paulding County Board of Commissioners Minutes

# PAULDING COUNTY, GEORGIA

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

June 30, 2018

Taxpayer	2018			2009		
	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	\$ 403,652	1	0.86%	\$ 766,536	1	2.33%
Georgia Transmission Corp.	265,530	2	0.56%	306,910	9	0.93%
IA Hiram Smith L.L.C.	159,633	3	0.34%			
Norfolk Southern	139,696	4	0.30%	318,362	8	0.97%
Georgia Power Company	137,698	5	0.29%			
City of Atlanta	122,901	6	0.26%	584,124	2	1.78%
American Homes 4 Rent	112,113	7	0.24%			
Ocean Harris Bridge	109,955	8	0.23%			
Walmart Real Estate	105,121	9	0.22%			
BellSouth Communications	100,807	10	0.21%			
Jones Co. Ltd.				380,634	6	1.16%
DDRTC Hiram Pavilion				545,231	3	1.66%
Temco and Associates				399,690	5	1.21%
Secretary of HUD				457,896	4	1.39%
Wachovia				262,891	10	0.80%
				264,026	7	0.80%

Source: Paulding County Tax Commissioner

# PAULDING COUNTY, GEORGIA

## PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Years

Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collection	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Total Collections as Percent of Current Levy
2009	\$ 32,907,367	\$ 32,525,284	98.84%	\$ 352,272	\$ 32,877,556	99.87%
2010	37,382,099	36,572,301	97.83%	767,496	37,339,797	99.83%
2011	34,436,345	34,274,232	99.53%	120,051	34,394,283	99.80%
2012	31,632,338	30,571,901	96.65%	996,377	31,568,278	99.67%
2013	33,377,150	32,582,693	97.62%	679,327	33,262,020	99.54%
2014	34,080,208	33,383,040	97.95%	646,807	34,029,847	99.16%
2015	37,024,551	36,426,765	98.39%	546,294	36,973,059	99.86%
2016	39,689,214	39,032,168	98.34%	616,961	39,649,129	99.90%
2017	41,203,536	40,678,769	98.73%	446,814	41,125,583	99.81%
2018	47,071,245	46,544,359	98.88%	-	46,544,359	98.88%

Source: Paulding County Tax Commissioner

# PAULDING COUNTY, GEORGIA

## RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Intergovernmental Payable	Notes Payable	Revenue Bonds	Notes Payable	Intergovernmental Payable	Revenue Bonds	Notes Payable			
2009	\$ 87,915,141	\$ -	\$ -	\$ 52,672,479	\$ 258,966	\$ -	\$ 1,396,653	\$ 142,243,239	\$ 3.62%	\$ 1,068	
2010	85,074,829	-	-	50,137,998	6,829,724	-	1,248,440	143,290,991	3.24%	1,049	
2011	82,160,679	-	-	47,072,085	6,438,771	-	1,092,852	136,764,387	2.86%	961	
2012	79,387,554	-	-	43,856,877	1,569,321	-	5,360,000	130,173,752	2.66%	907	
2013	76,213,797	-	768,490	41,466,200	1,372,790	-	5,090,000	124,911,277	2.36%	863	
2014	76,691,519	4,590,000	1,739,559	37,850,544	1,166,964	-	4,685,000	126,723,586	2.26%	862	
2015	74,670,176	11,480,000	7,013,559	34,076,056	951,393	-	4,265,000	132,456,184	2.80%	889	
2016	70,518,668	13,665,000	-	30,212,710	16,394,166	-	3,835,000	134,625,544	2.68%	884	
2017	66,215,000	12,020,305	-	182,964,358	59,556,877	-	3,395,000	324,151,540	6.09%	2,080	
2018	134,468,727	10,910,305	-	178,454,859	59,271,122	-	2,945,000	386,050,013	7.09%	2,421	

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

# PAULDING COUNTY, GEORGIA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (thousands)	Gross Bonded Debt	Less: Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of	
						Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2009	133,135	\$ 4,586,937	\$ 87,915,141	\$ 1,275,280	\$ 86,639,861	1.89%	\$ 651
2010	136,655	4,322,570	85,074,829	1,059,728	84,015,101	1.94%	615
2011	142,324	3,586,423	82,160,679	1,313,563	80,847,116	2.25%	568
2012	143,542	3,272,271	79,387,554	1,232,569	78,154,985	2.39%	544
2013	144,800	3,012,091	76,213,737	1,515,862	74,697,875	2.48%	516
2014	146,950	3,054,131	76,691,519	2,146,542	74,544,977	2.44%	507
2015	148,987	3,418,312	74,670,176	3,370,229	71,299,947	2.09%	479
2016	152,238	3,765,916	70,518,668	5,125,839	65,392,829	1.74%	430
2017	155,825	3,993,847	66,215,000	6,096,361	60,118,639	1.51%	386
2018	159,445	4,889,938	134,468,727	7,138,204	127,330,523	2.60%	799

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

# PAULDING COUNTY, GEORGIA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2018

Governmental Unit	Debt Outstanding	Estimated* Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
General Obligation Bonds	\$ 134,468,727	100%	\$ 134,468,727
Intergovernmental Payable	10,910,305	100%	10,910,305
Total Direct	145,379,032		145,379,032
Overlapping:			
Paulding County School District:			
General Obligation Bonds	90,490,000	100%	90,490,000
Capital Leases	161,766	100%	161,766
City of Dallas:			
Intergovernmental Contracts	7,310,000	6%	438,600
GEFA Loans	16,800,096	6%	1,008,006
Total Overlapping	114,761,862		92,098,372
Total Direct and Overlapping	\$ 260,140,894		\$ 237,477,404

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

**PAULDING COUNTY, GEORGIA**

**LEGAL DEBT MARGIN INFORMATION**  
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Value of Property	\$ 4,586,936,931	\$ 4,322,569,651	\$ 3,586,423,135	\$ 3,272,270,626	\$ 3,012,091,356	\$ 3,054,130,546	\$ 3,418,312,210	\$ 3,765,916,177	\$ 3,993,847,069	\$ 4,380,718,757
Less: Special Homestead Exemption	(219,424,316)	(220,206,684)	(188,756,893)	(225,191,114)	(224,685,721)	(221,222,794)	(204,932,229)	(216,990,163)	(224,716,729)	(228,530,047)
Assessed Value for Bond Purposes	\$ 4,367,512,615	\$ 4,102,362,967	\$ 3,397,666,242	\$ 3,047,079,512	\$ 2,787,405,635	\$ 2,832,907,752	\$ 3,213,379,987	\$ 3,548,926,014	\$ 3,769,070,340	\$ 4,152,188,710
Debt Limit - 10% of Assessed Value	\$ 436,751,262	\$ 410,236,297	\$ 339,766,624	\$ 304,707,951	\$ 278,740,564	\$ 283,290,775	\$ 321,337,999	\$ 354,892,601	\$ 376,907,034	\$ 415,218,871
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	\$ 86,990,000	\$ 84,540,000	\$ 81,780,000	\$ 79,387,554	\$ 76,213,797	\$ 76,691,519	\$ 74,670,176	\$ 70,518,668	\$ 66,215,000	\$ 134,468,727
Less: Available in Debt Service Fund	(1,275,280)	(1,059,728)	(1,313,563)	(1,232,569)	(1,515,862)	(2,146,542)	(3,370,229)	(5,125,839)	(6,096,361)	(7,138,204)
Net Debt Applicable to Debt Limit	\$ 83,264,720	\$ 80,720,272	\$ 78,071,437	\$ 75,607,431	\$ 72,354,138	\$ 74,544,977	\$ 71,299,947	\$ 65,392,829	\$ 60,118,639	\$ 127,330,523
Legal Debt Margin	\$ 353,486,542	\$ 329,516,025	\$ 261,695,187	\$ 229,100,520	\$ 206,386,426	\$ 208,745,798	\$ 250,038,052	\$ 289,499,772	\$ 316,786,395	\$ 287,888,348
Total net debt applicable to the limit as a percentage of debt limit	19.06%	19.68%	22.98%	24.81%	25.96%	26.31%	22.19%	18.43%	15.95%	30.67%

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



# PAULDING COUNTY, GEORGIA

## DEMOGRAPHIC STATISTICS Last Ten Fiscal Years

Fiscal Year	Population (1)		Personal Income (amounts expressed in thousands)		Per Capita Income (2)		Unemployment Rate (3)	
2009	133,135	\$	3,932,675	\$	29,539	10.7%		
2010	136,655		4,428,032		32,403	10.8%		
2011	142,324		4,773,974		33,543	10.5%		
2012	143,542		4,902,246		34,152	8.7%		
2013	144,800		5,283,028		36,485	8.3%		
2014	146,950		5,596,003		38,081	7.8%		
2015	148,987		4,724,825		31,713	5.5%		
2016	152,238		5,025,529		33,011	4.8%		
2017	155,825		5,324,088		34,167	4.9%		
2018	159,445		5,447,757		34,167	4.1%		

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

(2) Source: Bureau of Economic Accounts

(3) Source: Georgia Department of Labor

# PAULDING COUNTY, GEORGIA

## PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
Paulding County Board of Education	3405	1	4.14%	3808	1	5.72%
WellStar Health System Inc	1600	2	1.95%	469	5	0.70%
Paulding County Government	899	3	1.09%	777	2	1.17%
Wal-mart Associates Inc.	750	4	0.91%	715	3	1.07%
Kroger	265	5	0.32%	671	4	1.01%
Publix Super Markets	245	6	0.30%	175	6	0.26%
Metromont Presstress Company	241	7	0.29%	162	7	0.24%
Learning Bridge	180	8	0.22%			
Target Corporation	160	9	0.19%	160	8	0.24%
Home Depot	155	10	0.19%	150	9	0.23%
Jim-N-Nicks				78	10	0.12%

Source: Georgia Department of Labor  
Number of employees are estimated

# PAULDING COUNTY, GEORGIA

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

Function	Full-time Equivalent Employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	81	77	74	74	74	76	76	75	75	77
Judicial	70	64	62	62	67	76	76	77	77	74
Public Safety	44	47	47	48	49	51	51	54	58	66
Firefighters	112	118	129	129	138	140	140	158	153	167
Sheriff	269	278	268	272	282	276	276	280	294	289
Public Works	88	88	80	80	81	81	81	87	87	88
Department of Transportation	59	53	55	55	58	58	58	63	63	63
Health and welfare	8	8	7	7	8	7	7	8	8	8
Culture and recreation	34	34	35	35	35	38	38	43	43	43
Housing and development	12	13	14	13	14	17	17	17	17	24
<b>Total</b>	<b>777</b>	<b>780</b>	<b>771</b>	<b>775</b>	<b>806</b>	<b>820</b>	<b>820</b>	<b>862</b>	<b>875</b>	<b>899</b>

Source: Paulding County Finance Department - Budget Documents

# PAULDING COUNTY, GEORGIA

## OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Animal Control cases	5,898	5,232	4,983	3,868	3,636	3,368	3,241	3,102	3,282	3,124
Emergency 911 call volume	228,760	218,627	218,627	285,813	285,813	286,846	283,326	294,814	327,625	327,634
Marshal call volume	1,094	831	1,725	3,133	2,834	2,861	2,246	2,259	3,303	2,562
Fire call volume	9,297	9,799	10,379	10,772	10,772	11,865	12,667	13,613	14,740	15,006
Sheriff call volume	71,054	71,925	71,925	64,197	64,405	59,871	57,456	66,907	68,029	64,904
Health and welfare										
Senior Programs	1,092	1,100	1,080	1,085	1,085	1,085	1,282	1,309	1,512	1,470
Transit Trips	42,809	43,450	43,520	43,200	43,200	43,200	33,414	27,965	17,749	15,990
Meals on Wheels	29,107	29,220	29,200	29,150	29,150	29,150	26,009	28,293	18,871	24,811
Culture and recreation										
Recreation programs	165	115	121	180	180	180	168	209	271	304
Housing and development										
Permits issued	812	741	536	474	725	1,086	2,725	3,030	3,612	3,898

Source: Paulding County Departments

# PAULDING COUNTY, GEORGIA

## CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Buildings	51	52	52	52	52	52	52	52	53	53
Public Safety										
Fire stations	10	11	12	12	12	12	13	13	13	13
Culture and recreation										
Acreage	1106.2	1197.6	1197.6	1197.6	1197.6	1204.6	1381.6	1381.6	1381.6	1381.6
Parks	11	11	11	11	11	12	12	12	13	13

Source: Paulding County Government asset records