

PAULDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2015

Prepared By:
The Paulding County Finance Department

INTRODUCTORY SECTION

PAULDING COUNTY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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PAULDING COUNTY BOARD OF COMMISSIONERS

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

December 19, 2015

Board of Commissioners and Citizens
Paulding County, Georgia

The Comprehensive Annual Financial Report of Paulding County, Georgia, for the fiscal year ended June 30, 2015, 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, LLC. The auditor's report on the basic financial statements and schedules is included in the financial section of this report.

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

Profile of Paulding County

Paulding County, incorporated in 1832, was the 87th county created in Georgia and was named after John Paulding, a soldier in the Revolutionary War. Paulding County's rich historical resources include a number of well-preserved Civil War memorials, including the New Hope Church that was the site of the 1864 battle between General Sherman and Confederate General Johnston. The County is located approximately 29 miles northwest of Atlanta. The County has a land area of 314 square miles and a population of approximately 148,987.

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

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

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

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

Local Economy

The County's unemployment rate of 5.5% represents a slight decrease from last year and is slightly lower than the rate of 6.3% for the State of Georgia. However, Paulding County is not experiencing as significant an impact on the home-ownership rate as the state. Paulding County continues to hold a high home-ownership rate of 82.1% and 11.4% of the families living below the poverty level, compared to State averages of 65.1% and 18.2%, respectively.

The County's rapid residential growth slowed substantially in 2008. However, we are beginning to see signs of recovery. Commercial construction; however, experienced a less intensive slow down compared to housing. A positive outlook for future growth of Paulding is the opening of the County's general aviation airport, the opening of the new WellStar Hospital, and completion of the film studio. In 2016 Paulding County plans to begin the 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 fifth year of a six-year special purpose local option sales tax (SPLOST) used to fund the construction and improvement of roads, construction of recreational facilities, and public safety capital improvements. Since 1988, the County's voters have supported six

consecutive referendums for a special purpose local option sales tax (SPLOST) for the County, as well as, six 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 2015, as a result of conservative spending policies and budget control measures. The unassigned fund balance of \$37,771 represents 249 working days of expenditures. This level of unassigned fund balance should significantly reduce the likelihood of the County entering the short-term debt market to pay current operating expenditures.

Proprietary Operations. The County's proprietary operations are comprised of three, separate and distinct activities: the Water and Sewer System, the Solid Waste Disposal System and the Department of Family and Children's Services (DFCS) facility. The Water and Sewer System operates with no subsidy from the County's General Fund. Revenue from the Solid Waste Disposal System generates approximately 87% of its cost to operate. The State of Georgia leases the space for DFCS from the County, the proceeds of which provide revenue sufficient to cover the costs of operations and debt service. Paulding County's Water and Sewer System recently upgraded its aging infrastructure and completed a sewer system treatment facility expansion to encourage commercial growth.

Under the provisions of GASB Statement Number 18, the County reports an accrual of \$3,579 for landfill closure and post closure care costs as of June 30, 2015. 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, 2015, the County had a number of debt issues outstanding. These issues included \$74,545 of general obligation bonds, and \$32,750 of revenue bonds. The County maintains an Aa3 rating from Moody's Investor Service and a AA rating from Standard and Poor's Rating Service on general obligation issues and for the revenue issues, an A2 from Moody's and AA-stable from Standard and Poor's. Under current Georgia statutes, the County's general debt issuances are subject to legal limitation based on 10 percent of total assessed value of real and personal property. As of June 30, 2015, the County's net general obligation bonded debt of \$71,300 was well below the legal limit of \$321,338. General obligation debt per capita equaled \$479 (four hundred and seventy-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 5500 feet. In 2015 the Airport Authority will restripe 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. The County also enlisted the services of a consultant with expertise in airport-related economic development master plans. The economic development efforts associated with the airport project will be funded through public-private partnerships, in addition to federal, state and local funds. Due to increasing demand and limited availability of hanger space in the Atlanta Metropolitan Area, the planned Paulding Northwest Atlanta Airport has generated considerable interest in the aviation community. The first phase of hangers is completed and 100% of them are leased with a new 35,000 square foot hanger expected to be completed in 2015. 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. In 2013 the Airport

submitted an application to the FAA to allow for commercial flights. The application for commercial flights resulted in the FAA requiring an Environmental Assessment to be completed.

To address the leisure and recreational needs of its family-focused community, the County has constructed four multipurpose parks. The County has purchased 166 acres in the Union area. This will be the County's fifth multipurpose park and is currently in the design phase. Construction will be completed in 2016.

To address the future water supply needs, the County is currently in the final permitting stages of the Richland Creek Reservoir. The County is in the design stage of this project which is expected to be final in 2016. All permitting requirements should be complete and construction should begin in 2016.

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, and (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 2015 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. Currently, Bill Carruth Parkway is being widened to a four lane 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 will 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 2015, the County is nearing complete design for the Richland Creek Reservoir. It is expected to begin construction in 2016. The 404 permit was issued by the Corp of Engineers in October 2015. The project

construction is expected to be complete in 2021. This reservoir will allow Paulding County to provide its own water to the citizens of Paulding County.

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

Also during the coming years, and to be carried out concurrently with the airport project, the County will work closely with the Industrial Building Authority in an aggressive pursuit of economic development. Planned projects include the acquisition of land adjacent to the airport for the development of a business park, as well as other business park developments in close proximity to the County's existing sewer plants. A 60 acre industrial park also known as West Memorial Park has been constructed in the City of Dallas off of West Memorial Drive. The most notable business park is the 100 acre Class A Paulding Commerce Park. This site is capable of housing facilities up to 500,000 square feet. It is located off of Bill Carruth Parkway.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the year ended June 30, 2014. This was the nineteenth, consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Tabitha Pollard
Finance Director



David A. Austin
County Chairman



Government Finance Officers Association

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

Presented to

**Paulding County
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

PAULDING COUNTY, GEORGIA

PRINCIPAL OFFICIALS

JUNE 30, 2015

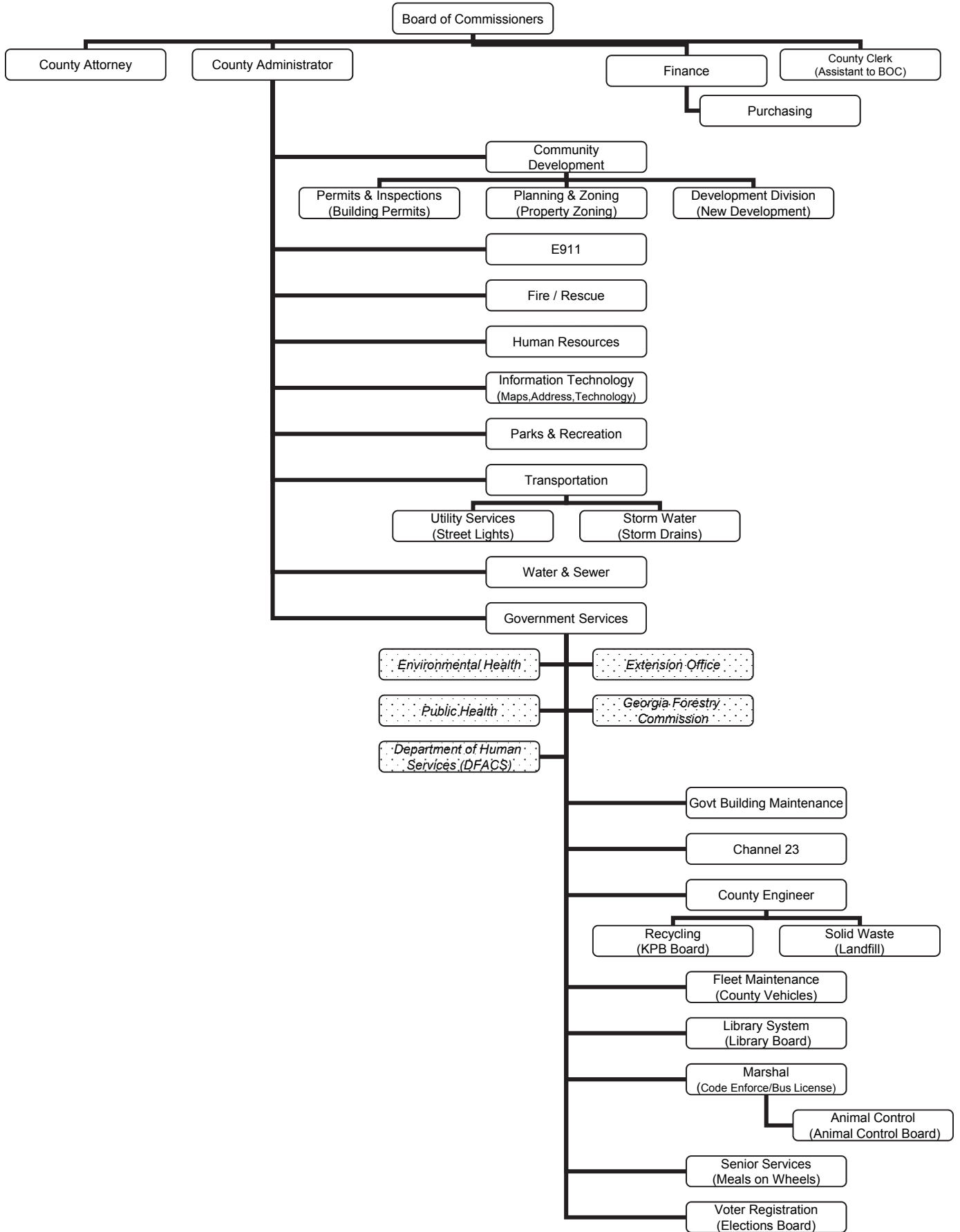
BOARD OF COMMISSIONERS

David Austin	Chairman
David Carmichael	Post 1
Todd Pownall	Post 2
Vernon Collett	Post 3
Tony Crowe	Post 4

OTHER ELECTED OFFICIALS

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

Paulding County, Georgia Organization Chart



FINANCIAL SECTION



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, 2015, and the related notes to the financial statements, which collectively comprise Paulding County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Paulding County Board of Health, the Paulding County Industrial Building Authority, and the Paulding County Airport Authority, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Paulding County Board of Health, the Paulding County Industrial Building Authority and the Paulding County Airport Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Paulding County Industrial Building Authority and the Paulding County Airport Authority were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Paulding County, Georgia as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Notes 8 and 13, Paulding County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for Paulding County, Georgia's net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 13), the budgetary comparison information for the General Fund (on pages 69 and 70), the budgetary comparison information for the Fire Tax Fund (on page 71), the schedule of changes in the County's net pension liability and related ratios (on page 72), the schedule of County contributions (on page 73), the schedule of employer's net pension liability – component unit (page 75), and the schedule of employer's pension contributions – component unit (page 74) 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2015, on our consideration of Paulding County, Georgia’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Atlanta, Georgia
December 19, 2015

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, 2015. 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 of dollars.

Financial Highlights

- The assets and deferred outflows of resources of Paulding County exceeded its liabilities and deferred inflows of resources at June 30, 2015, by \$585,208 (net position), an increase of \$19,682 from the prior year. Of this amount, \$54,553 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2015, Paulding County's governmental funds reported combined ending fund balances of \$88,232, an increase of \$7,104 from the prior year. Approximately \$38,231 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 \$37,771, or 68 percent of general fund expenditures.
- Paulding County's governmental activities bonds payable, net decreased by \$2,021 from the prior year and the total general obligation long-term debt at June 30, 2015 was \$74,670, compared to a legal debt limit of \$321,338.

Overview of the Financial Statements

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

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

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

The Statement of Activities presents information showing how Paulding County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., for uncollected taxes and earned but unused employee leave). Because the Statement of Activities separates program, or function revenue (revenue generated by specific functions through charges for services, grants and contributions) from general

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

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

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

Fund Financial Statements

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

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

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

Paulding County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the fire tax, the SPLOST IV fund and the capital projects fund all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 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 90 through 92.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Paulding County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 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 68.

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 69 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, 2015, Paulding County's combined (government and business-type activities) assets exceeded liabilities by \$585,208. A significant portion of the County's net position, 79 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 101,317	\$ 92,434	\$ 50,406	\$ 44,317	\$ 151,723	\$ 136,751
Capital Assets	440,064	424,617	148,576	152,587	588,640	577,204
Total assets	<u>541,381</u>	<u>517,051</u>	<u>198,982</u>	<u>196,904</u>	<u>740,363</u>	<u>713,955</u>
Deferred outflows of resources	<u>5,805</u>	<u>4,154</u>	<u>548</u>	<u>631</u>	<u>6,353</u>	<u>4,785</u>
Long-term liabilities outstanding	103,646	92,925	43,251	47,662	146,897	140,587
Other liabilities	<u>9,546</u>	<u>7,775</u>	<u>5,065</u>	<u>4,851</u>	<u>14,611</u>	<u>12,626</u>
Total liabilities	113,192	100,700	48,316	52,513	161,508	153,213
Net position:						
Net investment in capital assets	352,136	348,388	109,802	109,486	461,938	457,874
Restricted	43,627	40,910	25,633	16,337	69,260	57,247
Unrestricted	<u>38,231</u>	<u>31,207</u>	<u>15,779</u>	<u>19,199</u>	<u>54,010</u>	<u>50,406</u>
Total net position	<u>\$ 433,994</u>	<u>\$ 420,505</u>	<u>\$ 151,214</u>	<u>\$ 145,022</u>	<u>\$ 585,208</u>	<u>\$ 565,527</u>

An additional portion of the County' net position for governmental activities, \$43,627; and for business-type activities, \$25,633, represent resources that are subject to external restrictions on how they may be used. The governmental restricted resources represent SPLOST funds for roads, recreation and public safety capital improvements, and certain judicial expenses or activities. The \$15,496 for business-type activities is restricted to water and sewer system improvements and \$10,137 is restricted for debt service. The remaining balances of unrestricted net position, \$38,231 for governmental activities, and \$15,779 for business-type activities may be used to meet the County's ongoing obligations to its citizens and creditors.

At June 30, 2015, Paulding County is able to report positive balances in all categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

Paulding County's property taxes increased \$2,365 a 5% increase from the prior year. Sales and other taxes increased by \$1,963 or about 5% from last year. Approximately 26% of the County's total revenue from governmental activities came from sales tax and 43% from property tax. Charges for goods and services provided about 10% of governmental revenue. Decrease in capital grants and contribution is the result of state and federal participation in East Hiram Parkway, Airport land acquisition in 2014.

The County's largest expense is for Public Safety at \$34,911, or 38% of total governmental expenses. The 2nd largest expense is for Public Works at \$16,862, or 18% of total governmental expenses.

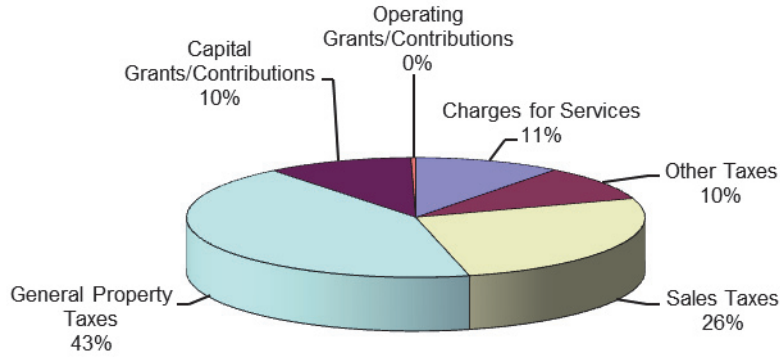
Paulding County's Changes in Net Position

For the year ended June 30

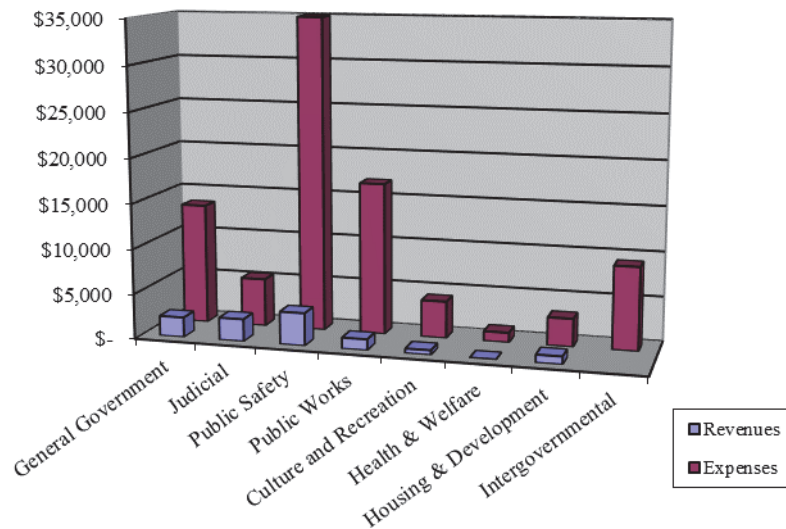
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 10,877	\$ 10,630	\$ 29,725	\$ 27,693	\$ 40,602	\$ 38,323
Operating grants and contributions	361	350	-	-	361	350
Capital grants and contributions	10,841	17,904	3,955	3,095	14,796	20,999
General Revenues:						
Property taxes	45,148	42,783	-	-	45,148	42,783
Other taxes	37,607	35,644	-	-	37,607	35,644
Other	63	78	30	40	93	118
Total Revenues	<u>104,897</u>	<u>107,389</u>	<u>33,710</u>	<u>30,828</u>	<u>138,607</u>	<u>138,217</u>
Expenses:						
General government	13,468	16,162	-	-	13,468	16,162
Judicial	5,369	4,988	-	-	5,369	4,988
Public safety	34,911	32,542	-	-	34,911	32,542
Public works	16,862	15,933	-	-	16,862	15,933
Culture and recreation	4,120	3,887	-	-	4,120	3,887
Health and welfare	1,090	1,102	-	-	1,090	1,102
Housing and development	3,116	3,495	-	-	3,116	3,495
Intergovernmental	9,218	-	-	-	9,218	-
Interest on long-term debt	3,054	3,228	-	-	3,054	3,228
Water and sewer	-	-	26,611	25,070	26,611	25,070
Other programs	-	-	1,107	974	1,107	974
Total Expenses	<u>91,208</u>	<u>81,337</u>	<u>27,718</u>	<u>26,044</u>	<u>118,926</u>	<u>107,381</u>
Increase (decrease) in net position before transfers	<u>13,689</u>	<u>26,052</u>	<u>5,992</u>	<u>4,784</u>	<u>19,681</u>	<u>30,836</u>
Transfers	<u>(200)</u>	<u>(200)</u>	<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>
Change in net position	<u>13,489</u>	<u>25,852</u>	<u>6,192</u>	<u>4,984</u>	<u>19,681</u>	<u>30,836</u>
Net position - beginning, before restatement	426,302	400,450	145,022	140,038	571,324	540,488
Restatement	<u>(5,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,797)</u>	<u>-</u>
Net position-beginning, after restatement	<u>420,505</u>	<u>400,450</u>	<u>145,022</u>	<u>140,038</u>	<u>565,527</u>	<u>540,488</u>
Net position ending	<u>\$ 433,994</u>	<u>\$ 426,302</u>	<u>\$ 151,214</u>	<u>\$ 145,022</u>	<u>\$ 585,208</u>	<u>\$ 571,324</u>

The \$13,489 increase in net position for governmental activities was attributable to revenues exceeding expenses. The \$6,192 increase in net position for business-type activities was the result of revenues exceeding expenses. The Landfill's long term liabilities of \$3,579 allow for closure and post-closure care costs.

Revenues by Source for Governmental Activities



Revenues & Expenses for Governmental Activities (in thousands)



Financial Analysis of the Government's Funds

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

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

Paulding County ended the 2015 fiscal year with positive fund balances in its governmental funds. The combined fund balance for the governmental funds is \$88,232. Of that amount, fund balances in the County's four major funds are \$45,059 in the General Fund, \$5,929 in the Fire Tax, \$1,948 in the Capital Projects Fund and \$26,659 in SPLOST IV. Approximately 43 percent of total governmental fund balances, \$37,771 in the General Fund is unassigned and available for spending in the coming year. The assigned fund balance is not available for new spending rather it is assigned to (1) 2015 outstanding encumbrances \$4,027, future landfill closure cost \$1,425, and \$1,614 was obligated to the 2016 adopted budget, and \$87 assigned to Library. The committed fund balance is in the Sheriff Commissary fund and the Sheriff committed the funds to be used for the inmates. The remainder of fund balance is restricted or non-spendable in nature (\$134) to indicate that it is not available for new spending because it is restricted 1) to pay debt service (\$3,370); and 2) for other restricted purposes (\$9,227). The \$28,431 fund balance in SPLOST III and IV will be spent to construct a major County park facility, a fire station and other public safety facilities, as well as road improvements.

The General Fund is the primary operating fund of Paulding County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$37,771, while total fund balance was \$45,059. 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 68% of total General Fund expenditures, while total fund balance represents 82% of that same amount.

The fund balance of the General Fund increased by \$4,555. 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 decreased by \$942 from the prior year.
- Property tax revenue increased by \$2,365 as a result of a slight increase in residential property values as well as a slight decrease in the millage rate along with the imposition of the motor vehicle ad valorem tax, while the local option sales tax increased by \$638.
- Charges for services increased by \$446, as a result of a slight increase in residential development as well as a decline in judicial fees.

The fund balance of the Fire Tax Fund increased by \$563. The fire tax is primarily funded with property tax, and therefore, the reduction in property values has resulted in a reduction in revenues.

SPLOST III, SPLOST IV and Capital Projects funds are all used to account for Capital Projects. The fund balance of the SPLOST III fund also decreased by \$1,772. The fund balance of SPLOST IV has increased by \$2,638. The SPLOST III sales tax collections were collected through March 2011 and as a result of the passing of a new referendum SPLOST IV collections began in April 2011. The projects in SPLOST III are nearing completion which reduced the fund balance, and the County was collecting funds in the new SPLOST to allow for projects to begin under the new SPLOST. The Capital Projects fund accounts for projects funded by sources other than SPLOST revenues. The fund balance of the Capital Projects Fund also increased by \$3. The increase is related to the draws on a loan to finance a portion of the Reservoir project.

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 2015 was \$27,812 representing an increase of 7% from 2014. 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 8% from 2014. 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 \$2,063. The most notable expenditure amendments are as follows:

- Public Works increased by \$864 due to additional maintenance and asphalt contracts issued. The cost of this expenditure was partly covered by the State of Georgia.
- Public Safety increased by \$226 and General Government increased by \$560 due to several capital project improvements made to the facilities.
- Culture and Recreation increased by \$259 due to unforeseen park maintenance and additional purchases of capital and Judicial increased by \$8.

Property values increased again in 2015, the millage rate was decreased to balance the increase anticipated in property taxes. However the implementation of the motor vehicle title ad valorem tax resulted in a \$.6 increase to property taxes, other taxes increased by 4% with a sales tax increase of \$638. Total tax revenue increased by \$1,470 with \$612 due to the implementation of the motor vehicle title ad valorem tax. At June 30, 2015, General Fund revenues exceeded estimates by \$4,779, and expenditures were \$2,016 less than budget. The General Funds balance increased by \$4,555.

Budget versus actual amounts: Paulding County General Fund remained within the operating budget during fiscal year 2015. 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, 2015 amounts to \$461,938 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, machinery and equipment, and construction in progress.

The total increase in Paulding County's investment in capital assets for the current fiscal year was 1 percent. Additional information on Paulding County's capital assets can be found in note 5 on pages 39 through 43 of this report.

Long-term debt: At June 30, 2015, Paulding County had a total of \$108,746 in outstanding bonded debt. That amount represents \$74,670 in General Obligation Courthouse, Jail, Administrative Building, Reservoir, conservation and Government Complex Bonds; and \$34,076 in Water and Sewer Revenue Bonds. The County also had one installment purchase agreement with an outstanding balance of \$415, two Georgia Environmental Finance Authority loans totaling \$536 and \$7,014, and an intergovernmental payable of \$15,745.

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

Additional information on the County's long-term debt can be found in note 7 on pages 46 through 54.

Economic Factors and Next year's Budgets and Rates

- The unemployment rate for Paulding County was down from last year, at 5.5%. This rate compared to the state's rate of 6.3%.
- For the tax year 2014, the County's total tax digest increased by \$364,182 or 11%. Paulding County has reduced the millage rate to neutralize the tax increase.
- Paulding County's general purpose Local Option Sales Tax enabled the County to rollback its property tax rate by 3.74 mills for the 2014 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, 2015

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Board of Health	Industrial Building Authority	Airport Authority
Cash and cash equivalents	\$ 86,551,482	\$ 19,117,934	\$ 105,669,416	\$ 807,581	\$ 473,957	\$ 921
Intergovernmental receivables	8,282,180	-	8,282,180	155,722	-	-
Taxes receivable	3,051,128	-	3,051,128	-	-	-
Internal balances	(170,135)	170,135	-	-	-	-
Other receivables	657,176	3,826,656	4,483,832	10	7,650	31,725
Due from component units	2,795,323	-	2,795,323	-	962,845	-
Due from primary government	-	-	-	-	8,440,000	-
Inventory	-	513,730	513,730	14,819	-	-
Prepays	134,263	-	134,263	-	-	250
Restricted cash and cash equivalents	-	26,676,329	26,676,329	-	124,441	558,907
Restricted investments	-	-	-	-	-	-
Capital assets, nondepreciable	82,920,572	2,806,521	85,727,093	-	3,032,015	7,057,380
Capital assets, depreciable, net of accumulated depreciation	357,143,079	145,769,761	502,912,840	13,891	6,563,276	1,064,931
Land held for resale	-	-	-	-	3,860,757	-
Other assets	-	-	-	-	5,250	-
Prepaid bond insurance	15,841	101,490	117,331	-	-	-
Total assets	541,380,909	198,982,556	740,363,465	992,023	23,470,191	8,714,114
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	4,692,932	548,145	5,241,077	-	111,446	-
Plan contributions	888,986	-	888,986	158,547	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	13,378	-	-
Net difference between projected and actual earnings on pension plan investments	223,083	-	223,083	-	-	-
Total deferred outflows of resources	5,805,001	548,145	6,353,146	171,925	111,446	-
LIABILITIES						
Accounts payable	5,973,555	1,288,721	7,262,276	3,744	255,154	18,462
Accrued liabilities	1,889,038	115,569	2,004,607	-	156,769	38,274
Due to primary government	-	-	-	-	2,795,323	-
Intergovernmental payables	-	-	-	56,742	-	-
Construction contracts payable	-	30,000	30,000	-	-	-
Customer deposits payable	-	2,713,099	2,713,099	-	-	1,125
Unearned revenue	1,682,979	917,697	2,600,676	-	-	-
Noncurrent liabilities due within one year:						
Due to Industrial Building Authority	730,000	430,000	1,160,000	-	-	150,000
Capital lease payable	-	-	-	-	-	-
Compensated absences payable	2,677,100	265,616	2,942,716	-	-	-
Note payable	-	225,743	225,743	-	-	-
Landfill closure and postclosure	-	499,759	499,759	-	-	-
Bonds payable	4,075,000	3,570,000	7,645,000	-	1,360,000	325,000
Noncurrent liabilities due in more than one year:						
Due to Industrial Building Authority	10,750,000	3,835,000	14,585,000	-	-	812,845
Capital lease payable	-	-	-	-	-	-
Compensated absences payable	1,147,328	113,836	1,261,164	37,534	-	-
Note payable	7,013,559	725,650	7,739,209	-	-	-
Landfill closure and postclosure	-	3,079,553	3,079,553	-	-	-
Bonds payable	70,595,176	30,506,056	101,101,232	-	16,383,457	2,915,000
Due to Silver Comet Terminal Partnership	-	-	-	-	-	360,000
Net pension liability	6,658,572	-	6,658,572	1,035,396	-	-
Total liabilities	113,192,307	48,316,299	161,508,606	1,133,416	20,950,703	4,620,706
DEFERRED INFLOW OF RESOURCES						
Net difference between projected and actual earnings on pension plan investments	-	-	-	252,708	-	-
NET POSITION						
Net investment in capital assets	352,136,014	109,801,978	461,937,992	13,891	2,173,968	4,882,311
Restricted for:						
Judicial services	819,392	-	819,392	-	-	-
Public safety services	8,787,523	-	8,787,523	-	-	-
Debt service	3,641,371	10,137,352	13,778,723	-	-	-
Capital projects	30,378,527	15,495,840	45,874,367	-	-	-
Unrestricted	38,230,776	15,779,232	54,010,008	(236,067)	456,966	(788,903)
Total net position	\$ 433,993,603	\$ 151,214,402	\$ 585,208,005	\$ (222,176)	\$ 2,630,934	\$ 4,093,408

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

PAULDING COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,467,900	\$ 2,209,102	\$ -	\$ 264,795
Judicial	5,369,441	2,475,097	129,222	-
Public safety	34,910,648	3,610,189	109,327	66,670
Public works	16,861,667	1,205,856	8,032	2,507,238
Health and welfare	1,090,330	10,020	114,494	-
Culture and recreation	4,119,985	507,170	-	7,892,138
Housing and development	3,115,861	859,955	-	110,079
Intergovernmental	9,217,651	-	-	-
Interest on long-term debt	3,054,321	-	-	-
Total governmental activities	91,207,804	10,877,389	361,075	10,840,920
Business-type activities:				
Water and sewer	26,610,733	28,566,440	-	3,954,969
DFACS building	206,940	371,466	-	-
Solid waste	899,740	786,626	-	-
Total business-type activities	27,717,413	29,724,532	-	3,954,969
Total primary government	\$ 118,925,217	\$ 40,601,921	\$ 361,075	\$ 14,795,889
Component units:				
Board of Health	\$ 1,438,287	\$ 464,579	\$ 774,311	\$ -
Industrial Building Authority	1,330,153	384,344	591,376	-
Airport Authority	605,812	61,200	-	391,643
Total component units	\$ 3,374,252	\$ 910,123	\$ 1,365,687	\$ 391,643

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
- Energy excise taxes
- Unrestricted investment earnings
- Grants not restricted to specific programs
- Gain on sale of capital assets

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
\$ (10,994,003)	\$ -	\$ (10,994,003)	\$ -	\$ -	\$ -
(2,765,122)	-	(2,765,122)	-	-	-
(31,124,462)	-	(31,124,462)	-	-	-
(13,140,541)	-	(13,140,541)	-	-	-
(965,816)	-	(965,816)	-	-	-
4,279,323	-	4,279,323	-	-	-
(2,145,827)	-	(2,145,827)	-	-	-
(9,217,651)	-	(9,217,651)	-	-	-
(3,054,321)	-	(3,054,321)	-	-	-
(69,128,420)	-	(69,128,420)	-	-	-
-	5,910,676	5,910,676	-	-	-
-	164,526	164,526	-	-	-
-	(113,114)	(113,114)	-	-	-
-	5,962,088	5,962,088	-	-	-
\$ (69,128,420)	\$ 5,962,088	\$ (63,166,332)	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (199,397)	\$ -	\$ -
-	-	-	-	(354,433)	-
-	-	-	-	-	(152,969)
\$ -	\$ -	\$ -	\$ (199,397)	\$ (354,433)	\$ (152,969)
\$ 27,923,398	\$ -	\$ 27,923,398	\$ -	\$ -	\$ -
7,348,110	-	7,348,110	-	-	-
9,876,468	-	9,876,468	-	-	-
1,018,672	-	1,018,672	-	-	-
12,723,171	-	12,723,171	-	-	-
14,896,039	-	14,896,039	-	-	-
6,222,989	-	6,222,989	-	-	-
644,953	-	644,953	-	-	-
1,458,951	-	1,458,951	-	-	-
308,685	-	308,685	-	-	-
330,013	-	330,013	-	-	-
3,028	-	3,028	-	-	-
51,874	30,659	82,533	540	131	74,259
-	-	-	326,246	-	-
11,125	-	11,125	-	-	-
(200,000)	200,000	-	-	-	-
82,617,476	230,659	82,848,135	326,786	131	74,259
13,489,056	6,192,747	19,681,803	127,389	(354,302)	(78,710)
420,504,547	145,021,655	565,526,202	(349,565)	2,985,236	4,172,118
\$ 433,993,603	\$ 151,214,402	\$ 585,208,005	\$ (222,176)	\$ 2,630,934	\$ 4,093,408

PAULDING COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS						Total
	General	Fire Tax	SPLOST IV	Capital Projects	Nonmajor Governmental Funds	
Cash and cash equivalents	\$ 41,699,808	\$ 7,807,083	\$ 27,832,490	\$ 571,510	\$ 8,640,591	\$ 86,551,482
Receivables	379,787	-	-	-	277,389	657,176
Taxes receivable	1,072,911	394,173	1,301,512	-	282,532	3,051,128
Intergovernmental receivables	1,298,125	-	-	6,984,055	-	8,282,180
Due from other funds	7,037,656	-	-	-	550,858	7,588,514
Prepaid items	134,263	-	-	-	-	134,263
Total assets	\$ 51,622,550	\$ 8,201,256	\$ 29,134,002	\$ 7,555,565	\$ 9,751,370	\$ 106,264,743
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,831,394	\$ 32,195	\$ 1,943,867	\$ 2,056,868	\$ 109,231	\$ 5,973,555
Other accrued liabilities	927,572	-	-	-	-	927,572
Unearned revenue	1,682,979	-	-	-	-	1,682,979
Due to other funds	1,082,908	1,860,344	531,198	3,551,153	733,046	7,758,649
Total liabilities	5,524,853	1,892,539	2,475,065	5,608,021	842,277	16,342,755
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	1,038,794	379,619	-	-	271,142	1,689,555
Total deferred inflows of resources	1,038,794	379,619	-	-	271,142	1,689,555
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepays	134,263	-	-	-	-	134,263
Restricted:						
Judicial services	-	-	-	-	819,392	819,392
Public safety services	-	5,929,098	-	-	2,478,806	8,407,904
Capital projects	-	-	26,658,937	1,947,544	1,772,046	30,378,527
Debt service	-	-	-	-	3,370,229	3,370,229
Committed:						
Commissary purchases	-	-	-	-	197,478	197,478
Assigned:						
Use of reserves in subsequent budget	1,613,835	-	-	-	-	1,613,835
Reservoir	246,446	-	-	-	-	246,446
Infrastructure maintenance	2,646,991	-	-	-	-	2,646,991
State agency facilities	862,202	-	-	-	-	862,202
Supplies	271,222	-	-	-	-	271,222
Library	87,476	-	-	-	-	87,476
Landfill cost of closure	1,425,000	-	-	-	-	1,425,000
Unassigned	37,771,468	-	-	-	-	37,771,468
Total fund balances	45,058,903	5,929,098	26,658,937	1,947,544	8,637,951	88,232,433
Total liabilities, deferred inflows of resources and fund balances	\$ 51,622,550	\$ 8,201,256	\$ 29,134,002	\$ 7,555,565	\$ 9,751,370	\$ 106,264,743

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

PAULDING COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

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

Total fund balances - governmental funds		\$ 88,232,433
Capital assets used in governmental activities are current not financial resources and, therefore, are not reported in the funds.		
Cost of capital assets	\$ 579,827,226	
Less accumulated depreciation	<u>(139,763,575)</u>	440,063,651
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Property taxes	<u>\$ 1,689,555</u>	1,689,555
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$ (74,545,000)	
Premium, net of amortization	(125,176)	
Prepaid bond insurance, net of amortization	15,841	
Unamortized deferred charge on refunding	4,692,932	
Loan payable	(7,013,559)	
Accrued interest	(961,466)	
Intergovernmental payable	(11,480,000)	
Compensated absences payable	<u>(3,824,428)</u>	(93,240,856)
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	\$ (6,658,572)	
Plan contributions	888,986	
Net difference between projected and actual investment earnings	<u>223,083</u>	(5,546,503)
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>2,795,323</u>
Total net position - governmental activities		<u>\$ 433,993,603</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, 2015

	<u>General</u>	<u>Fire Tax</u>	<u>SPLOST IV</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues:						
Taxes	\$ 50,565,378	\$ 10,080,685	\$ 14,896,039	\$ -	\$ 7,509,972	\$ 83,052,074
Licenses and permits	792,770	6,675	-	-	-	799,445
Intergovernmental	1,898,790	43,197	-	803,832	-	2,745,819
Fines and forfeitures	1,086,105	-	-	-	307,014	1,393,119
Charges for services	5,647,506	-	-	-	2,545,554	8,193,060
Interest income	37,899	10,024	34,275	635	9,629	92,462
Contributions	91,297	-	20,000	-	210,776	322,073
Miscellaneous	381,653	-	-	-	-	381,653
Total revenues	<u>60,501,398</u>	<u>10,140,581</u>	<u>14,950,314</u>	<u>804,467</u>	<u>10,582,945</u>	<u>96,979,705</u>
Expenditures:						
Current:						
General government	12,176,378	-	-	-	-	12,176,378
Judicial	5,111,410	-	-	-	210,355	5,321,765
Public safety	20,872,718	9,577,089	-	-	2,724,865	33,174,672
Public works	10,282,390	-	-	-	-	10,282,390
Health and welfare	1,062,506	-	-	-	-	1,062,506
Culture and recreation	3,367,942	-	-	-	-	3,367,942
Housing and development	2,331,184	-	-	-	-	2,331,184
Intergovernmental expenditures	-	-	1,912,651	-	-	1,912,651
Capital outlay	-	-	10,399,834	6,262,746	1,804,341	18,466,921
Debt service:						
Principal	-	-	-	-	4,155,000	4,155,000
Interest	-	-	-	-	2,709,634	2,709,634
Cost of issuance	-	-	-	-	328,665	328,665
Total expenditures	<u>55,204,528</u>	<u>9,577,089</u>	<u>12,312,485</u>	<u>6,262,746</u>	<u>11,932,860</u>	<u>95,289,708</u>
Excess (deficiency) of revenues over expenditures	5,296,870	563,492	2,637,829	(5,458,279)	(1,349,915)	1,689,997
Other financing sources (uses):						
Proceeds from sale of capital assets	11,125	-	-	-	-	11,125
Issuance of long term debt	-	-	-	5,274,000	27,775,000	33,049,000
Payments to escrow agent	-	-	-	-	(27,446,335)	(27,446,335)
Transfers in	-	-	-	187,448	365,789	553,237
Transfers out	(753,237)	-	-	-	-	(753,237)
Total other financing sources (uses)	<u>(742,112)</u>	<u>-</u>	<u>-</u>	<u>5,461,448</u>	<u>694,454</u>	<u>5,413,790</u>
Net change in fund balances	4,554,758	563,492	2,637,829	3,169	(655,461)	7,103,787
Fund balances, beginning of year	<u>40,504,145</u>	<u>5,365,606</u>	<u>24,021,108</u>	<u>1,944,375</u>	<u>9,293,412</u>	<u>81,128,646</u>
Fund balances, end of year	<u>\$ 45,058,903</u>	<u>\$ 5,929,098</u>	<u>\$ 26,658,937</u>	<u>\$ 1,947,544</u>	<u>\$ 8,637,951</u>	<u>\$ 88,232,433</u>

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

PAULDING COUNTY, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

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

Net change in fund balances - total governmental funds \$ 7,103,787

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	\$ 19,949,479	
Depreciation expense	<u>(12,706,212)</u>	7,243,267

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Donated assets		8,203,627
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(297,597)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments - bonds	\$ 4,155,000	
Issuance of general obligation debt	(27,775,000)	
Issuance of intergovernmental payable	(7,305,000)	
Issuance of note payable - Georgia Environmental Finance Authority	(5,274,000)	
Payment of refunded general obligation debt to escrow agent	<u>27,446,335</u>	(8,752,665)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of prepaid bond insurance	\$ (10,781)	
Amortization of bond premium	82,810	
Amortization of deferred charges on refunding	(247,496)	
Change in compensated absences	(71,173)	
Change in accrued interest	159,445	
Pension expense	<u>(162,126)</u>	(249,321)

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.

237,958

Change in net position - governmental activities

\$ 13,489,056

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

PAULDING COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
ASSETS			
Current assets:			
Cash	\$ 18,492,246	\$ 625,688	\$ 19,117,934
Receivables	3,783,576	43,080	3,826,656
Due from other funds	-	532,050	532,050
Inventory	513,730	-	513,730
Restricted assets:			
Cash	26,676,329	-	26,676,329
Total current assets	<u>49,465,881</u>	<u>1,200,818</u>	<u>50,666,699</u>
Noncurrent assets:			
Prepaid bond insurance	101,490	-	101,490
Capital assets:			
Capital assets, not being depreciated	2,194,288	612,233	2,806,521
Capital assets, being depreciated	210,714,397	5,150,467	215,864,864
Less accumulated depreciation	(67,165,551)	(2,929,552)	(70,095,103)
Total capital assets, net of accumulated depreciation	<u>145,743,134</u>	<u>2,833,148</u>	<u>148,576,282</u>
Total assets	<u>195,310,505</u>	<u>4,033,966</u>	<u>199,344,471</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	548,145	-	548,145
Total deferred outflows of resources	<u>548,145</u>	<u>-</u>	<u>548,145</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,255,118	33,603	1,288,721
Accrued expenses	114,170	1,399	115,569
Construction contracts payable	30,000	-	30,000
Customer deposits payable	2,713,099	-	2,713,099
Due to other funds	361,915	-	361,915
Due to Industrial Building Authority	430,000	-	430,000
Unearned revenue	917,697	-	917,697
Compensated absences, current	259,342	6,274	265,616
Notes payable, current	27,435	198,308	225,743
Landfill closure and postclosure, current	-	499,759	499,759
Revenue bonds payable, current	3,570,000	-	3,570,000
Total current liabilities	<u>9,678,776</u>	<u>739,343</u>	<u>10,418,119</u>
Long-term liabilities:			
Due to Industrial Building Authority	3,835,000	-	3,835,000
Compensated absences	111,147	2,689	113,836
Notes payable	534,691	190,959	725,650
Landfill closure and postclosure	-	3,079,553	3,079,553
Revenue bonds payable	30,506,056	-	30,506,056
Total long-term liabilities	<u>34,986,894</u>	<u>3,273,201</u>	<u>38,260,095</u>
Total liabilities	<u>44,665,670</u>	<u>4,012,544</u>	<u>48,678,214</u>
NET POSITION			
Net investment in capital assets	107,358,097	2,443,881	109,801,978
Restricted:			
Debt Service	10,137,352	-	10,137,352
Capital Projects	15,495,840	-	15,495,840
Unrestricted	18,201,691	(2,422,459)	15,779,232
Total net position	<u>\$ 151,192,980</u>	<u>\$ 21,422</u>	<u>\$ 151,214,402</u>

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, 2015

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
OPERATING REVENUES			
Charges for services	\$ 26,271,173	\$ -	\$ 26,271,173
Penalties	743,831	-	743,831
Miscellaneous revenues	797,314	5,141	802,455
Landfill and recycling fees	-	781,485	781,485
Lease income	-	371,466	371,466
Total operating revenues	<u>27,812,318</u>	<u>1,158,092</u>	<u>28,970,410</u>
OPERATING EXPENSES			
Salaries and benefits	3,804,279	196,879	4,001,158
Other operating expenses	5,137,337	747,892	5,885,229
Depreciation expense	5,502,452	138,646	5,641,098
Water purchases	10,893,775	-	10,893,775
Total operating expenses	<u>25,337,843</u>	<u>1,083,417</u>	<u>26,421,260</u>
Operating income	2,474,475	74,675	2,549,150
NONOPERATING REVENUE (EXPENSES)			
Line maintenance fees	751,943	-	751,943
Interest income	30,659	-	30,659
Rent	2,179	-	2,179
Interest expense	(1,272,890)	(23,263)	(1,296,153)
Total nonoperating revenues (expenses)	<u>(488,109)</u>	<u>(23,263)</u>	<u>(511,372)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS			
	1,986,366	51,412	2,037,778
Capital contributions	3,954,969	-	3,954,969
Transfers in	-	200,000	200,000
Total capital contributions and transfers	<u>3,954,969</u>	<u>200,000</u>	<u>4,154,969</u>
Change in net position	5,941,335	251,412	6,192,747
NET POSITION, beginning of year	<u>145,251,645</u>	<u>(229,990)</u>	<u>145,021,655</u>
NET POSITION, end of year	<u>\$ 151,192,980</u>	<u>\$ 21,422</u>	<u>\$ 151,214,402</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, 2015

	Water & Sewer Fund	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 27,703,202	\$ 1,177,466	\$ 28,880,668
Payments to suppliers and service providers	(15,925,525)	(913,290)	(16,838,815)
Payments to employees	(3,809,170)	(192,605)	(4,001,775)
Net cash provided by operating activities	<u>7,968,507</u>	<u>71,571</u>	<u>8,040,078</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	5,018,997	-	5,018,997
Interest received	11,662	-	11,662
Net cash provided by investing activities	<u>5,030,659</u>	<u>-</u>	<u>5,030,659</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(1,630,744)	-	(1,630,744)
Principal payments on notes	(26,627)	(188,944)	(215,571)
Principal payments on bonds	(3,455,000)	-	(3,455,000)
Principal payments on intergovernmental payables	(420,000)	-	(420,000)
Interest and fiscal charges paid	(1,496,218)	(23,944)	(1,520,162)
Line maintenance fees	751,943	-	751,943
Capital contributions received	3,954,969	-	3,954,969
Net cash used in capital and related financing activities	<u>(2,321,677)</u>	<u>(212,888)</u>	<u>(2,534,565)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Rental income	2,179	-	2,179
Transfers in	-	200,000	200,000
Net cash provided by noncapital financing activities	<u>2,179</u>	<u>200,000</u>	<u>202,179</u>
Net increase in cash and cash equivalents	10,679,668	58,683	10,738,351
Cash and cash equivalents:			
Beginning of year	<u>34,488,907</u>	<u>567,005</u>	<u>35,055,912</u>
End of year	<u>\$ 45,168,575</u>	<u>\$ 625,688</u>	<u>\$ 45,794,263</u>
Classified as:			
Cash	\$ 18,492,246	\$ 625,688	\$ 19,117,934
Restricted cash	26,676,329	-	26,676,329
Total	<u>\$ 45,168,575</u>	<u>\$ 625,688</u>	<u>\$ 45,794,263</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 2,474,475	\$ 74,675	\$ 2,549,150
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	5,502,452	138,646	5,641,098
(Increase) decrease in accounts receivable	(195,028)	19,374	(175,654)
Increase in due from other funds	-	(174,516)	(174,516)
Decrease in inventories	(329,771)	-	(329,771)
Increase in accounts payable	129,386	9,118	138,504
Increase in due to other funds	305,972	-	305,972
Increase in customer deposits payable	97,501	-	97,501
Decrease in unearned revenue	(11,589)	-	(11,589)
Increase (decrease) in compensated absences	(4,891)	4,274	(617)
Net cash provided by operating activities	<u>\$ 7,968,507</u>	<u>\$ 71,571</u>	<u>\$ 8,040,078</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, 2015

ASSETS	Agency Funds
Cash and cash equivalents	\$ 3,169,939
Taxes receivable	<u>2,167,534</u>
Total assets	<u>\$ 5,337,473</u>
LIABILITIES	
Due to others	\$ 3,169,939
Uncollected taxes	<u>2,167,534</u>
Total liabilities	<u>\$ 5,337,473</u>

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

PAULDING COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 730 Airport Parkway, Dallas, Georgia 30157.

The Paulding County Airport Authority (the “Airport Authority”) serves the citizens of Paulding County and is governed by a board of appointed officials. The Paulding County Board of Commissioners appoints the officials to this board. Paulding County acts as the fiscal agent for the Airport Authority and provides personnel to oversee the construction and development of the airport. The Airport Authority operates on a July 1 through June 30 fiscal year.

A copy of the Paulding County Airport Authority’s financial statements may be obtained by writing to the following address: Paulding County Airport Authority, 730 Airport Parkway, Dallas, GA 30157.

B. Government-wide and Fund Financial Statements

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

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

The 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.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables

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

F. Inventories and Prepaid Items

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

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

G. Capital Assets

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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 three items that qualify for reporting in this category. One is the deferred charge on refunding 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, 2016. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources (Continued)

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

I. Compensated Absences

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

J. Long-Term Obligations

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

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

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’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, 2015, the County has reported \$4,026,861 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 \$2,290,503 at June 30, 2015. 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, 2015 expenditures exceeded the budget in the General Fund departments as follows:

General Fund:	
General government	
General appropriations	\$ 142,217
Public works	
Stormwater	18,882
Health and welfare	
General health grant	514

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

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.

The investment in the Georgia Fund 1 represents the County's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. Treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value. As of June 30, 2015, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. Additionally, the money market funds are reported as cash equivalents at June 30, 2015.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, the County's cash accounts were insured and/or collateralized as defined by GASB Standards.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2015, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Short-term Investments</u>	<u>Maturity</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Fidelity Institutional Treasury MM	36 days weighted average	Aaa-mf	\$ 1,339,896
Georgia Fund 1	56 days weighted average	AAAf	64,637,573

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%. 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

A. Primary Government

Receivables at June 30, 2015, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Fire Tax Fund</u>	<u>SPLOST IV Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ 1,285,931	\$ 485,045	\$ 1,301,512	\$ -	\$ 348,886
Other governments	1,298,125	-	-	6,984,055	-
Accounts	<u>379,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,389</u>
Gross receivables	2,963,843	485,045	1,301,512	6,984,055	626,275
Less allowance for uncollectibles	<u>(213,020)</u>	<u>(90,872)</u>	<u>-</u>	<u>-</u>	<u>(66,354)</u>
Net receivables	<u><u>\$ 2,750,823</u></u>	<u><u>\$ 394,173</u></u>	<u><u>\$ 1,301,512</u></u>	<u><u>\$ 6,984,055</u></u>	<u><u>\$ 559,921</u></u>
	<u>Water & Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>			
Receivables:					
Taxes	\$ -	\$ -			
Other governments	-	-			
Accounts	<u>5,271,440</u>	<u>43,080</u>			
Gross receivables	5,271,440	43,080			
Less allowance for uncollectibles	<u>(1,487,864)</u>	<u>-</u>			
Net receivables	<u><u>\$ 3,783,576</u></u>	<u><u>\$ 43,080</u></u>			

Property taxes for the 2015 fiscal year were levied on August 12, 2014, with property values assessed as of January 1, 2014. Bills are payable by the later of November 15, 2014 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, 2014.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 51,090,599	\$ 8,503,890	\$ -	\$ -	\$ 59,594,489
Construction in progress	20,571,133	16,495,666	-	(13,740,716)	23,326,083
Total capital assets, not being depreciated	<u>71,661,732</u>	<u>24,999,556</u>	<u>-</u>	<u>(13,740,716)</u>	<u>82,920,572</u>
Capital assets, being depreciated:					
Buildings and improvements	152,326,242	405,672	-	1,797,602	154,529,516
Equipment	40,039,960	2,419,251	(162,410)	4,573,799	46,870,600
Infrastructure	293,856,519	328,627	-	7,369,315	301,554,461
Total capital assets, being depreciated	<u>486,222,721</u>	<u>3,153,550</u>	<u>(162,410)</u>	<u>13,740,716</u>	<u>502,954,577</u>
Less accumulated depreciation for:					
Buildings and improvements	33,400,234	4,035,808	-	-	37,436,042
Equipment	32,255,136	2,468,816	(162,410)	-	34,561,542
Infrastructure	67,612,326	6,201,588	-	-	73,813,914
Total accumulated depreciation	<u>133,267,696</u>	<u>12,706,212</u>	<u>(162,410)</u>	<u>-</u>	<u>145,811,498</u>
Total capital assets, being depreciated, net	<u>352,955,025</u>	<u>(9,552,662)</u>	<u>-</u>	<u>13,740,716</u>	<u>357,143,079</u>
Governmental activities capital assets, net	<u>\$ 424,616,757</u>	<u>\$ 15,446,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,063,651</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,163,798	\$ -	\$ -	\$ -	\$ 2,163,798
Construction in progress	215,294	427,429	-	-	642,723
Total capital assets, not being depreciated	<u>2,379,092</u>	<u>427,429</u>	<u>-</u>	<u>-</u>	<u>2,806,521</u>
Capital assets, being depreciated:					
Buildings and improvements	5,456,631	18,974	-	-	5,475,605
Equipment	5,403,441	457,547	(29,960)	-	5,831,028
Infrastructure	201,331,437	726,794	-	-	202,058,231
Intangible assets	2,500,000	-	-	-	2,500,000
Total capital assets, being depreciated	<u>214,691,509</u>	<u>1,203,315</u>	<u>(29,960)</u>	<u>-</u>	<u>215,864,864</u>
Less accumulated depreciation for:					
Buildings and improvements	2,078,157	188,592	-	-	2,266,749
Equipment	4,585,547	209,793	(29,960)	-	4,765,380
Infrastructure	57,670,261	5,192,713	-	-	62,862,974
Intangible assets	150,000	50,000	-	-	200,000
Total accumulated depreciation	<u>64,483,965</u>	<u>5,641,098</u>	<u>(29,960)</u>	<u>-</u>	<u>70,095,103</u>
Total capital assets, being depreciated, net	<u>150,207,544</u>	<u>(4,437,783)</u>	<u>-</u>	<u>-</u>	<u>145,769,761</u>
Business-type activities capital assets, net	<u>\$ 152,586,636</u>	<u>\$ (4,010,354)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,576,282</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	\$ 2,664,862
Judicial	36,710
Public safety	1,618,119
Public works	6,590,761
Health and welfare	27,824
Culture and recreation	750,040
Housing and development	1,017,896
Total depreciation expense - governmental activities	<u>\$ 12,706,212</u>

Business-type activities:

Water and Sewer Fund	\$ 5,502,452
Solid Waste Fund	60,784
DFACS Building Fund	77,862
Total depreciation expense - business-type activities	<u>\$ 5,641,098</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Industrial Building Authority

	(As Revised) Beginning Balance	Increases	Decreases and Reclassifications	Ending Balance
Industrial Building Authority:				
Capital assets, not being depreciated:				
Land	\$ 753,731	\$ -	\$ -	\$ 753,731
Construction in progress	1,908,975	692,663	(323,354)	2,278,284
Total capital assets, not being depreciated	<u>2,662,706</u>	<u>692,663</u>	<u>(323,354)</u>	<u>3,032,015</u>
Capital assets, being depreciated:				
Buildings	5,387,715	-	-	5,387,715
Infrastructure	1,146,839	487,843	-	1,634,682
Equipment and vehicles	135,453	-	(10,878)	124,575
Total capital assets, being depreciated	<u>6,670,007</u>	<u>487,843</u>	<u>(10,878)</u>	<u>7,146,972</u>
Less accumulated depreciation for:				
Buildings	295,330	134,693	-	430,023
Infrastructure	55,573	42,240	-	97,813
Equipment and vehicles	50,762	15,976	(10,878)	55,860
Total accumulated depreciation	<u>401,665</u>	<u>192,909</u>	<u>(10,878)</u>	<u>583,696</u>
Total capital assets, being depreciated, net	<u>6,268,342</u>	<u>294,934</u>	<u>-</u>	<u>6,563,276</u>
Industrial Building Authority capital assets, net	<u>\$ 8,931,048</u>	<u>\$ 987,597</u>	<u>\$ (323,354)</u>	<u>\$ 9,595,291</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>
Airport Authority:				
Capital assets, not being depreciated:				
Land	\$ 3,863,253	\$ -	\$ -	\$ 3,863,253
Construction in progress	<u>2,970,282</u>	<u>223,845</u>	<u>-</u>	<u>3,194,127</u>
Total capital assets, not being depreciated	<u>6,833,535</u>	<u>223,845</u>	<u>-</u>	<u>7,057,380</u>
Capital assets, being depreciated:				
Infrastructure	1,129,152	-	-	1,129,152
Equipment and vehicles	<u>1,351</u>	<u>3,835</u>	<u>-</u>	<u>5,186</u>
Total capital assets, being depreciated	<u>1,130,503</u>	<u>3,835</u>	<u>-</u>	<u>1,134,338</u>
Less accumulated depreciation for:				
Infrastructure	39,967	28,228	-	68,195
Equipment and vehicles	<u>878</u>	<u>334</u>	<u>-</u>	<u>1,212</u>
Total accumulated depreciation	<u>40,845</u>	<u>28,562</u>	<u>-</u>	<u>69,407</u>
Total capital assets, being depreciated, net	<u>1,089,658</u>	<u>(24,727)</u>	<u>-</u>	<u>1,064,931</u>
Airport Authority capital assets, net	<u>\$ 7,923,193</u>	<u>\$ 199,118</u>	<u>\$ -</u>	<u>\$ 8,122,311</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General fund	SPLOST IV fund	\$ 531,198
General fund	Capital projects fund	3,551,153
General fund	Fire tax fund	1,860,344
General fund	Water sewer fund	361,915
General fund	Nonmajor governmental funds	733,046
		\$ 7,037,656
Nonmajor governmental funds	General fund	\$ 550,858
Nonmajor enterprise funds	General fund	\$ 532,050

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.

Due to/from component units:

Receivable entity	Payable entity	Amount
Governmental activities	Industrial Building Authority	\$ 2,795,323

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, 2015, were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	<u>\$ 365,789</u>
Capital projects fund	General fund	<u>\$ 187,448</u>
Nonmajor enterprise funds	General fund	<u>\$ 200,000</u>

Transfers are used to (1) move funds from the General Fund to the Solid Waste Fund to adequately meet the expenditures of the Solid Waste Fund, and (2) to move funds available from remaining project funds in the Capital Projects Fund into the Debt Service Fund to pay bond debt service requirement.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 75,855,000	\$ 27,775,000	\$ (29,085,000)	\$ 74,545,000	\$ 4,075,000
Plus: Premiums	836,519	-	(711,343)	125,176	-
Total bonds payable	76,691,519	27,775,000	(29,796,343)	74,670,176	4,075,000
GEFA notes payable	1,739,559	5,274,000	-	7,013,559	-
Intergovernmental payable	4,590,000	7,305,000	(415,000)	11,480,000	730,000
Net pension liability	6,150,817	1,482,674	(974,919)	6,658,572	-
Compensated absences	3,753,255	2,511,159	(2,439,986)	3,824,428	2,677,100
Governmental activities long-term liabilities	<u>\$ 92,925,150</u>	<u>\$ 44,347,833</u>	<u>\$ (33,626,248)</u>	<u>\$ 103,646,735</u>	<u>\$ 7,482,100</u>
Business-type Activities:					
Bonds payable	\$ 36,205,000	\$ -	\$ (3,455,000)	\$ 32,750,000	\$ 3,570,000
Plus: Premiums	1,645,544	-	(319,488)	1,326,056	-
Total bonds payable	37,850,544	-	(3,774,488)	34,076,056	3,570,000
Notes payable	1,166,964	-	(215,571)	951,393	225,743
Intergovernmental payable	4,685,000	-	(420,000)	4,265,000	430,000
Landfill closure/ postclosure costs	3,579,312	-	-	3,579,312	499,759
Compensated absences	380,069	225,343	(225,960)	379,452	265,616
Business-type activities long-term liabilities	<u>\$ 47,661,889</u>	<u>\$ 225,343</u>	<u>\$ (4,636,019)</u>	<u>\$ 43,251,213</u>	<u>\$ 4,991,118</u>

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

During fiscal year 2010, the County issued \$5,000,000 of Series 2009 general obligation bonds. The 2009 bonds were issued to refund the Series 1999 Bonds maturing August 1, 2009 through 2015. The bonds, which bear interest at rates from 2.25% to 3.0%, mature August 1, 2015.

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 County advance refunded a portion of the Series 2007 Bonds to reduce its total debt service payments over the next 15 years by \$4,482,243 and to obtain an economic gain of approximately \$3,629,923. The current outstanding amount of debt considered legally defeased equals \$25,345,000 as of June 30, 2015.

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

Year ending June 30,	Principal	Interest	Total
2016	\$ 4,075,000	\$ 1,856,968	\$ 5,931,968
2017	4,255,000	1,765,200	6,020,200
2018	4,445,000	1,590,554	6,035,554
2019	4,545,000	1,489,409	6,034,409
2020	4,655,000	1,385,853	6,040,853
2021-2025	22,170,000	5,339,588	27,509,588
2026-2030	21,010,000	2,865,280	23,875,280
2031-2032	9,390,000	367,911	9,757,911
Total	\$ 74,545,000	\$ 16,660,763	\$ 91,205,763

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

GEFA Notes Payable. In fiscal year 2013, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the engineering and mitigation cost of the Reservoir project. As of June 30, 2015, the loan has a balance of \$7,013,559 and is still in the draw down phase, therefore, a future payment schedule has not been established. During the construction phase interest is being paid monthly at 1.0% of the outstanding amount. Following the construction phase this note will become permanent with an interest rate of 3.13% and payable over a ten year period.

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

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

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>
2016	\$ 730,000	\$ 446,509	\$ 1,176,509
2017	750,000	428,984	1,178,984
2018	765,000	409,524	1,174,524
2019	785,000	388,398	1,173,398
2020	810,000	365,464	1,175,464
2021-2025	3,920,000	1,420,981	5,340,981
2026-2030	2,500,000	742,209	3,242,209
2031-2032	1,220,000	73,283	1,293,283
Total	<u>\$ 11,480,000</u>	<u>\$ 4,275,352</u>	<u>\$ 15,755,352</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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,570,000	\$ 1,264,945	\$ 4,834,945
2017	3,670,000	1,145,294	4,815,294
2018	3,820,000	1,015,532	4,835,532
2019	3,940,000	886,350	4,826,350
2020	4,080,000	728,928	4,808,928
2021-2023	13,670,000	988,550	14,658,550
Total	<u>\$ 32,750,000</u>	<u>\$ 6,029,599</u>	<u>\$ 38,779,599</u>

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

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

The debt service requirements to maturity are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 225,743	\$ 31,067	\$ 256,810
2017	219,115	19,954	239,069
2018	29,130	14,794	43,924
2019	30,016	13,908	43,924
2020	30,929	12,995	43,924
2021-2025	169,340	50,280	219,620
2026-2030	196,709	22,912	219,621
2031-2032	50,411	949	51,360
Total	<u>\$ 951,393</u>	<u>\$ 166,859</u>	<u>\$ 1,118,252</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 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	Principal	Interest	Total
<u>June 30,</u>			
2016	\$ 430,000	\$ 97,800	\$ 527,800
2017	440,000	92,100	532,100
2018	450,000	83,200	533,200
2019	450,000	71,950	521,950
2020	475,000	58,075	533,075
2021-2024	2,020,000	94,025	2,114,025
Total	<u>\$ 4,265,000</u>	<u>\$ 497,150</u>	<u>\$ 4,762,150</u>

Landfill post-closure costs. State and federal laws and regulations require the County to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Governmental accounting standards require the County to estimate and accrue for future costs associated with the closure and post-closure care of the landfill. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill capacity used during the year. The recorded liability for landfill closure and post-closure care costs at year end totaled \$3,579,312. This amount is based on the total estimated cost of closure and post-closure costs multiplied by management's estimate of the percentage of landfill capacity used at year end (94%). The estimated total current cost of the landfill closure and post-closure care (approximately \$3,819,279,) 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, 2015. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of June 30, 2015 it is estimated that the remaining life of the landfill is eight years.

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, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 18,925,000	\$ -	\$ (1,335,000)	\$ 17,590,000	\$ 1,360,000
Plus: Premiums	202,602	-	(36,337)	166,265	-
Less: Discounts	(14,497)	-	1,689	(12,808)	-
Total bonds payable	<u>\$ 19,113,105</u>	<u>\$ -</u>	<u>\$ (1,369,648)</u>	<u>\$ 17,743,457</u>	<u>\$ 1,360,000</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 bonds will be serviced through an annual payment from the Authority, commencing on August 1, 2013 of \$40,000 to \$80,000 through August 1, 2031 at an interest rate of 2.0% to 4.8%. As of June 30, 2015, the outstanding principal amount is \$1,015,000. The Series 2011B bonds will be serviced through an annual payment from the Authority, commencing on August 1, 2027 of \$430,000 to \$545,000 through August 1, 2031 at an interest rate of 1.6% to 6.1%. As of June 30, 2015, the outstanding principal amount is \$6,290,000.

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

On October 25, 2012 the Authority issued \$7,315,000 in Revenue Bonds for the purpose of retiring the 2003 Revenue Bonds. The Bonds were issued in two separate series for various purposes. The Series 2012A Taxable Revenue Bonds in the amount of \$2,225,000 were issued to pay off the Series 2003A Taxable Revenue Bonds. The Series 2012B Tax-Exempt Revenue Bonds in the amount of \$5,090,000 were issued to pay off the Series 2003B and 2003C Tax-Exempt Revenue bonds. The bond premium on the issue is being amortized. The Series 2012A bonds will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of \$180,000 to \$220,000 through December 1, 2023 at an interest rate of 1.0% to 3.0%. As of June 30, 2015, the outstanding principal amount is \$1,845,000. The Series 2012B bonds will be serviced through an annual payment from the Authority, commencing on December 1, 2013 of \$405,000 to \$520,000 through December 1, 2023 at an interest rate of 2.0% to 2.125%. As of June 30, 2015, the outstanding principal amount is \$4,265,000.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Paulding County, Georgia and the Authority have entered into an Intergovernmental Contract Dated October 1, 2012, whereby the County is obligated to make payments to the Authority sufficient in time and amount to enable the Authority to pay the principal and interest on the Bonds as they mature.

These 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, 2015, the outstanding principal amount is \$4,175,000.

The Industrial Building Authority'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>
2016	\$ 1,360,000	\$ 592,123	\$ 1,952,123
2017	1,390,000	564,847	1,954,847
2018	1,415,000	535,448	1,950,448
2019	1,435,000	503,216	1,938,216
2020	1,485,000	464,171	1,949,171
2021-2025	6,785,000	1,645,394	8,430,394
2026-2030	2,500,000	813,028	3,313,028
2031-2032	1,220,000	143,666	1,363,666
Total	<u>\$ 17,590,000</u>	<u>\$ 5,261,893</u>	<u>\$ 22,851,893</u>

C. Discretely Presented Component Unit – Airport Authority

The following is a summary of long-term debt activity for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ -	\$ 3,600,000	\$ (360,000)	\$ 3,240,000	\$ 325,000
Total bonds payable	<u>\$ -</u>	<u>\$ 3,600,000</u>	<u>\$ (360,000)</u>	<u>\$ 3,240,000</u>	<u>\$ 325,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

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

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>
2016	\$ 325,000	\$ 76,140	\$ 401,140
2017	335,000	68,502	403,502
2018	345,000	60,630	405,630
2019	350,000	52,522	402,522
2020	360,000	44,298	404,298
2021-2024	1,525,000	90,592	1,615,592
Total	<u>\$ 3,240,000</u>	<u>\$ 392,684</u>	<u>\$ 3,632,684</u>

On October 7, 2013, the Authority entered into an agreement with Silver Comet Terminal Partners, LLC (the "Company"), whereby the Company will pay the Authority annual amounts equal to the bonded indebtedness discussed above. To the extent the Authority receives any reimbursement from a grant for the costs associated with the project funded by the debt issuance, the Authority will repay the Company any amounts associated with the principal portion of the payments made by the Company under the agreement, reduce the remaining principal outstanding, and repay the interest paid by the Company. If the grant reimbursement is insufficient to repay interest paid to date, the Authority will not be responsible for repaying the interest portion of the payments made by the Company. The Authority anticipates a reimbursement from a grant for the project costs but does not expect this reimbursement to occur within the next fiscal year. Project costs to date total \$3,194,127 while the total debt service requirements on the bonds is \$4,035,220 (Principal: \$3,600,000, Interest: \$435,220). Because project costs to date that are potentially reimbursable do not exceed the potential principal that will be paid by the Company, only 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN

A. Primary Government

Plan Description

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

Plan membership. As of January 1, 2014, pension plan membership consisted of the following:

Retirees, Beneficiaries and Disables receiving benefits	144
Terminated plan participants entitled to but not yet receiving benefits	300
Active employees participating in the Plan	598
Total number of Plan participants	<u>1,042</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Primary Government (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2015, the County's contribution rate was 6.6% of annual payroll. County contributions to the Plan were \$2,086,988 for the year ended June 30, 2015.

Net Pension Liability of the County

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The County's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2014.

Actuarial assumptions. The total pension liability in the July 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for through December 31, 2013.

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, 2014 are summarized in the following table:

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

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

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

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, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/14	\$ 34,776,907	\$ 28,626,090	\$ 6,150,817
Changes for the year:			
Service cost	935,935	-	935,935
Interest	2,565,038	-	2,565,038
Contributions—employer	-	1,198,002	(1,198,002)
Net investment income	-	1,897,270	(1,897,270)
Benefit payments, including refunds of employee contributions	(1,152,809)	(1,152,809)	-
Administrative expense	-	(99,561)	99,561
Other changes	-	(2,493)	2,493
Net changes	2,348,164	1,840,409	507,755
Balances at 6/30/15	\$ 37,125,071	\$ 30,466,499	\$ 6,658,572

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	\$ 12,805,554	\$ 6,658,572	\$ 1,653,490

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, 2014 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, 2015, the County recognized pension expense of \$1,482,674. At June 30, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources
Plan contributions made subsequent to the measurement period	\$	888,986
Net difference between projected and actual earnings on pension plan investments		223,083
Total	\$	1,112,069

County contributions subsequent to the measurement date of \$888,986 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, 2016. 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:		
2016	\$	55,771
2017		55,771
2018		55,771
2019		55,770
Total	\$	223,083

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Discretely Presented Component Unit – Health Department

Plan Description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits Provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

A. Discretely Presented Component Unit – Health Department (Continued)

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for old and new plan members and 18.87% for GSEPS members. The Health Department's contributions to ERS totaled \$158,547 for the year ended June 30, 2015. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Effective July 1, 2014, the Health Department implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which significantly changed the Health Department's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

At June 30, 2015, the Health Department reported a liability for its proportionate share of the net pension liability in the amount of \$1,035,396. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2014. At June 30 2014, the Health Department's proportion was 0.027606%, which was an increase (decrease) of 0.000448% from its proportion measured as of June 30, 2013.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2015, the Health Department recognized pension expense of \$71,591. At June 30, 2015, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 252,708
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,378	-
Employer contributions subsequent to the measurement date	158,547	-
Total	\$ 171,925	\$ 252,708

Health Department contributions subsequent to the measurement date of \$158,547 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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:	
2016	\$ (54,816)
2017	(58,160)
2018	(63,177)
2019	(63,177)
Total	(239,330)

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Actuarial assumptions

The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45 – 9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.0%	3.00%
Domestic Large Stocks	39.7%	6.50%
Domestic Mid Stocks	3.7%	10.00%
Domestic Small Stocks	1.6%	13.00%
International Developed Market Stocks	18.9%	6.50%
International Emerging Market Stocks	6.1%	11.00%
Total	100.0%	

* Rates shown are net of the 3% assumed rate of inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PLAN (CONTINUED)

B. Discretely Presented Component Unit – Health Department (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, 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 periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Health Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Health Department's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the Health Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Health Department's proportionate share of net pension liability	\$ 1,509,812	\$ 1,035,396	\$ 631,557

Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

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 employees annual salary. Contributions are calculated and made on a biweekly payroll basis. The Board of Commissioners establishes required contribution and matching percentages.

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

The County has made the following contributions to the plan:

Year ending <u>June 30,</u>	<u>County Contributions</u>	<u>Employee Contributions</u>	<u>Total Contributions</u>
2014	\$ 289,028	\$ 787,997	\$ 1,077,025
2015	324,337	846,622	1,170,959

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at June 30, 2015, the County has contractual commitments on uncompleted contracts of approximately \$10,032,427 consisting of Recreation contracts, \$334,403, Public Safety contracts, \$1,660,945, and Department of Transportation contracts, \$8,037,079.

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, 2015, the County paid \$130,876 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 13. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 8 above, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. The new standards significantly changed the County’s accounting for pension amounts. As a result of this change in accounting principle, the County was required to restate beginning net position for Governmental Activities as shown below:

	Governmental Activities
Net position, as previously reported	\$ 426,302,268
Restatement for implementation of GASB Statement No. 68:	
Net pension liability as of June 30, 2014	(6,150,817)
Deferred outflow - Plan Contributions as of June 30, 2014	766,440
Removal of previously reported net pension asset, under GASB Statement No. 27	(413,344)
Net position, as restated	\$ 420,504,547
	Board of Health
Net position, as previously reported	\$ 853,570
Restatement for implementation of GASB Statement No. 68:	
Net pension liability as of June 30, 2014	(1,317,882)
Contributions made subsequent to the measurement date	114,747
Net position, as restated	\$ (349,565)

NOTE 14. RESTATEMENT

Discretely Presented Component Unit – Industrial Building Authority

Net Position and Land Held for Resale at June 30, 2014 have been reduced by \$48,886 to eliminate property that is no longer owned by the Authority.

Net Position and Rent Receivable at June 30, 2014 have been increased by \$5,500 to record receivables due to the Authority.

NOTE 15. SUBSEQUENT EVENT

On November 9, 2015, the Industrial Building Authority issued 2015 Westminster of Dallas Project, Series 2015 Revenue Bonds in the amount of \$9,500,000. Proceeds from the bonds will be loaned to Dallas Memory Care, LLC (the “borrower”), to finance a portion of the cost of the acquisition of real property together with improvements constructed thereon. The bonds will be payable solely from revenues to be derived under a lease purchase agreement between the Authority and the borrower.

REQUIRED SUPPLEMENTARY INFORMATION

PAULDING COUNTY, GEORGIA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 48,351,000	\$ 48,351,000	\$ 50,565,378	\$ 2,214,378
Licenses and permits	650,000	650,000	792,770	142,770
Intergovernmental	200,000	200,000	1,898,790	1,698,790
Fines and forfeitures	1,150,000	1,150,000	1,086,105	(63,895)
Charges for services	4,703,000	5,078,000	5,647,506	569,506
Interest income	21,000	21,000	37,899	16,899
Contributions and donations	-	-	91,297	91,297
Miscellaneous	272,000	272,000	381,653	109,653
Total revenues	<u>55,347,000</u>	<u>55,722,000</u>	<u>60,501,398</u>	<u>4,779,398</u>
Expenditures:				
Current:				
General government:				
Legislative	581,700	622,000	621,562	438
Executive	228,500	200,500	200,481	19
Government services	144,700	85,000	84,638	362
Public information	103,415	103,415	93,842	9,573
Elections	468,200	468,200	430,094	38,106
Finance	487,000	487,000	465,446	21,554
Information technology	1,126,375	1,192,000	1,191,981	19
Human resources	303,100	303,100	295,417	7,683
Government facilities	1,394,870	2,020,000	2,016,234	3,766
Tax assessors	1,505,400	1,505,400	1,378,350	127,050
Tax commissioners	1,135,100	1,135,100	1,077,616	57,484
General appropriations	4,261,508	4,178,500	4,320,717	(142,217)
Total general government	<u>11,739,868</u>	<u>12,300,215</u>	<u>12,176,378</u>	<u>123,837</u>
Judicial:				
Superior court	847,356	847,356	627,346	220,010
Clerk superior court	1,094,200	1,101,900	1,046,918	54,982
Probate court	749,100	749,100	748,254	846
Magistrate court	455,440	455,440	436,301	19,139
District attorney	1,210,800	1,210,800	1,102,883	107,917
Juvenile court	544,100	544,100	514,627	29,473
Public defender	644,652	644,652	635,081	9,571
Total judicial	<u>5,545,648</u>	<u>5,553,348</u>	<u>5,111,410</u>	<u>441,938</u>
Public safety:				
Coroner	74,560	103,500	103,087	413
Sheriff	14,025,435	14,137,435	13,705,892	431,543
Jail	5,752,100	5,752,100	5,583,641	168,459
Marshal	734,455	878,010	810,170	67,840
Animal control	723,170	645,970	618,364	27,606
General appropriations	42,000	60,300	51,564	8,736
Total public safety	<u>21,351,720</u>	<u>21,577,315</u>	<u>20,872,718</u>	<u>704,597</u>
Public works:				
Roads and bridges	8,135,573	9,000,000	8,742,180	257,820
Stormwater	-	-	18,882	(18,882)
Utility coordinator	900,000	900,000	863,148	36,852
Maintenance shop	660,162	660,162	532,669	127,493
Recycling	134,950	134,950	125,511	9,439
Total public works	<u>9,830,685</u>	<u>10,695,112</u>	<u>10,282,390</u>	<u>412,722</u>

(Continued)

PAULDING COUNTY, GEORGIA

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Current: (Continued)				
Health and welfare:				
Mental health grant	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
General health grant	326,000	326,000	326,514	(514)
General welfare grant	25,000	25,000	17,312	7,688
Senior citizens center	277,600	277,600	254,390	23,210
Senior citizens van	123,650	123,650	105,648	18,002
Bus service	237,150	237,150	213,139	24,011
General appropriations	88,000	95,600	95,503	97
Total health and welfare	<u>1,127,400</u>	<u>1,135,000</u>	<u>1,062,506</u>	<u>72,494</u>
Culture and recreation:				
Library	1,041,166	1,149,166	1,120,158	29,008
Recreation	2,098,600	2,250,000	2,238,947	11,053
General appropriations	10,700	10,700	8,837	1,863
Total culture and recreation	<u>3,150,466</u>	<u>3,409,866</u>	<u>3,367,942</u>	<u>41,924</u>
Housing and development:				
County extension service	64,700	64,700	61,684	3,016
Community development	1,283,213	1,283,213	1,073,053	210,160
Airport	403,300	111,500	111,090	410
General appropriations	660,000	1,090,000	1,085,357	4,643
Total housing and development	<u>2,411,213</u>	<u>2,549,413</u>	<u>2,331,184</u>	<u>218,229</u>
Total expenditures	<u>55,157,000</u>	<u>57,220,269</u>	<u>55,204,528</u>	<u>2,015,741</u>
Excess (deficiency) of revenues over expenditures	<u>190,000</u>	<u>(1,498,269)</u>	<u>5,296,870</u>	<u>6,795,139</u>
Other financing sources (uses):				
Proceeds from sale of assets	10,000	10,000	11,125	1,125
Transfers out	(3,898,537)	(1,355,200)	(753,237)	601,963
Total other financing sources (uses)	<u>(3,888,537)</u>	<u>(1,345,200)</u>	<u>(742,112)</u>	<u>603,088</u>
Net change in fund balances	(3,698,537)	(2,843,469)	4,554,758	7,398,227
Fund balances, beginning of year	<u>40,504,145</u>	<u>40,504,145</u>	<u>40,504,145</u>	<u>-</u>
Fund balances, end of year	<u>\$ 36,805,608</u>	<u>\$ 37,660,676</u>	<u>\$ 45,058,903</u>	<u>\$ 7,398,227</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 10,163,000	\$ 9,875,000	\$ 10,080,685	\$ 205,685
Licenses and permits	5,000	5,000	6,675	1,675
Intergovernmental revenue	-	43,000	43,197	197
Investment income	10,000	10,000	10,024	24
Total revenues	<u>10,178,000</u>	<u>9,933,000</u>	<u>10,140,581</u>	<u>207,581</u>
Expenditures:				
Current:				
Public safety	9,971,130	10,250,000	9,577,089	672,911
Total expenditures	<u>9,971,130</u>	<u>10,250,000</u>	<u>9,577,089</u>	<u>672,911</u>
Net changes in fund balances	206,870	(317,000)	563,492	880,492
Fund balances, beginning of year	<u>5,365,606</u>	<u>5,365,606</u>	<u>5,365,606</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,572,476</u>	<u>\$ 5,048,606</u>	<u>\$ 5,929,098</u>	<u>\$ 880,492</u>

PAULDING COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2015

	2015
Total pension liability	
Service cost	\$ 935,935
Interest on total pension liability	2,565,038
Benefit payments, including refunds of employee contributions	(1,152,809)
	2,348,164
Net change in total pension liability	2,348,164
Total pension liability - beginning	34,776,907
Total pension liability - ending (a)	\$ 37,125,071
 Plan fiduciary net position	
Contributions - employer	1,198,002
Net investment income	1,897,270
Benefit payments, including refunds of employee contributions	(1,152,809)
Administrative expenses	(99,561)
Other	(2,493)
	1,840,409
Net change in plan fiduciary net position	1,840,409
Plan fiduciary net position - beginning	28,626,090
Plan fiduciary net position - ending (b)	\$ 30,466,499
 County's net pension liability - ending (a) - (b)	\$ 6,658,572
 Plan fiduciary net position as a percentage of the total pension liability	82.1%
 Covered-employee payroll	\$ 24,261,213
 County's net pension liability as a percentage of covered employee payroll	27.4%

Notes to the Schedule

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

PAULDING COUNTY, GEORGIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2015

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

Notes to the Schedule

Valuation Date	January 1, 2014
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period.
Assumed Rate of Return	
On Investments	7.50%
Projected Salary Increases	2.50% - 5.00% (including 3.00% for inflation)
Cost-of-living Adjustment	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

PAULDING COUNTY, GEORGIA

**COMPONENT UNIT - PAULDING COUNTY BOARD OF HEALTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS**

	<u>2015</u>
Actuarially determined contribution	\$ 158,547
Contributions in relation to the actuarially determined contribution	158,547
Contribution deficiency (excess)	-
Covered-employee payroll	744,904
Contributions as a percentage of Covered-employee payroll	21.3%

(Historical information prior to the implementation of GASB 67/68 is not required)

PAULDING COUNTY, GEORGIA

**COMPONENT UNIT - PAULDING COUNTY BOARD OF HEALTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY**

	<u>2015</u>
Employer's proportion of the net pension liability	0.027606%
Employer's proportionate share of the net pension liability	\$ 1,035,396
Employer's covered payroll during the measurement period	\$ 744,076
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	139.15%
Plan fiduciary net position as a percentage of the total pension liability	77.99%

Notes to the Schedule

The schedule above is intended to show information for 10 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.

Capital Projects Fund

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

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, 2015

	Special Revenue Funds					
	Victims- Witness Assistance Fund	Emergency 911 Fund	Jail Fund	Supplemental Juvenile Fund	Drug Use Treatment Fund	Clerk's Technology Fund
ASSETS						
Cash and cash equivalents	\$ 156,562	\$ 1,029,700	\$ 787,337	\$ 145,740	\$ 197,518	\$ 584,680
Receivables	-	276,384	-	-	1,005	-
Taxes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 156,562</u>	<u>\$ 1,306,084</u>	<u>\$ 787,337</u>	<u>\$ 145,740</u>	<u>\$ 198,523</u>	<u>\$ 584,680</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 8,403	\$ 522	\$ 300	\$ -	\$ -
Due to other funds	-	94,373	-	-	-	-
Total liabilities	-	102,776	522	300	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted:						
Debt service	-	-	-	-	-	-
Judicial services	156,562	-	-	-	-	584,680
Public safety services	-	1,203,308	786,815	145,440	198,523	-
Capital projects	-	-	-	-	-	-
Committed:						
Commissary purchases	-	-	-	-	-	-
Total fund balances	<u>156,562</u>	<u>1,203,308</u>	<u>786,815</u>	<u>145,440</u>	<u>198,523</u>	<u>584,680</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 156,562</u>	<u>\$ 1,306,084</u>	<u>\$ 787,337</u>	<u>\$ 145,740</u>	<u>\$ 198,523</u>	<u>\$ 584,680</u>

Special Revenue Funds

Law Library Fund	Sheriff Commissary Fund	Drug Confiscation Fund	Capital Projects Fund SPLOST III Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 78,150	\$ 197,478	\$ 144,720	\$ 2,509,725	\$ 2,808,981	\$ 8,640,591
-	-	-	-	-	277,389
-	-	-	-	282,532	282,532
-	-	-	-	550,858	550,858
<u>\$ 78,150</u>	<u>\$ 197,478</u>	<u>\$ 144,720</u>	<u>\$ 2,509,725</u>	<u>\$ 3,642,371</u>	<u>\$ 9,751,370</u>
\$ -	\$ -	\$ -	\$ 99,006	\$ 1,000	\$ 109,231
-	-	-	638,673	-	733,046
-	-	-	737,679	1,000	842,277
-	-	-	-	271,142	271,142
-	-	-	-	271,142	271,142
-	-	-	-	3,370,229	3,370,229
78,150	-	-	-	-	819,392
-	-	144,720	-	-	2,478,806
-	-	-	1,772,046	-	1,772,046
-	197,478	-	-	-	197,478
<u>78,150</u>	<u>197,478</u>	<u>144,720</u>	<u>1,772,046</u>	<u>3,370,229</u>	<u>8,637,951</u>
<u>\$ 78,150</u>	<u>\$ 197,478</u>	<u>\$ 144,720</u>	<u>\$ 2,509,725</u>	<u>\$ 3,642,371</u>	<u>\$ 9,751,370</u>

PAULDING COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Victims- Witness Assistance Fund	Emergency 911 Fund	Jail Fund	Supplemental Juvenile Fund	Drug Use Treatment Fund	Clerk's Technology Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	90,649	-	105,041	14,160	-	-
Charges for services	-	2,166,817	-	-	66,190	117,362
Investment income	-	631	467	72	89	273
Contributions and donations	-	-	-	-	-	-
Total revenues	<u>90,649</u>	<u>2,167,448</u>	<u>105,508</u>	<u>14,232</u>	<u>66,279</u>	<u>117,635</u>
Expenditures:						
Current:						
Judicial	102,586	-	-	-	-	60,138
Public safety	-	2,162,858	246,800	12,746	27,814	-
Capital outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-
Total expenditures	<u>102,586</u>	<u>2,162,858</u>	<u>246,800</u>	<u>12,746</u>	<u>27,814</u>	<u>60,138</u>
Excess (deficiency) of revenues over expenditures	(11,937)	4,590	(141,292)	1,486	38,465	57,497
Other financing sources (uses):						
Issuance of long term debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(11,937)	4,590	(141,292)	1,486	38,465	57,497
Fund balances, beginning of year	<u>168,499</u>	<u>1,198,718</u>	<u>928,107</u>	<u>143,954</u>	<u>160,058</u>	<u>527,183</u>
Fund balances, end of year	<u>\$ 156,562</u>	<u>\$ 1,203,308</u>	<u>\$ 786,815</u>	<u>\$ 145,440</u>	<u>\$ 198,523</u>	<u>\$ 584,680</u>

Special Revenue Funds					
Law Library Fund	Sheriff Commissary Fund	Drug Confiscation Fund	Capital Projects Fund SPLOST III Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 7,509,972	\$ 7,509,972
-	-	97,164	-	-	307,014
38,552	156,633	-	-	-	2,545,554
-	-	-	6,313	1,784	9,629
-	-	-	-	210,776	210,776
<u>38,552</u>	<u>156,633</u>	<u>97,164</u>	<u>6,313</u>	<u>7,722,532</u>	<u>10,582,945</u>
47,631	-	-	-	-	210,355
-	160,260	114,387	-	-	2,724,865
-	-	-	1,804,341	-	1,804,341
-	-	-	-	4,155,000	4,155,000
-	-	-	-	2,709,634	2,709,634
-	-	-	-	328,665	328,665
<u>47,631</u>	<u>160,260</u>	<u>114,387</u>	<u>1,804,341</u>	<u>7,193,299</u>	<u>11,932,860</u>
(9,079)	(3,627)	(17,223)	(1,798,028)	529,233	(1,349,915)
-	-	-	-	27,775,000	27,775,000
-	-	-	-	(27,446,335)	(27,446,335)
-	-	-	-	365,789	365,789
-	-	-	-	694,454	694,454
(9,079)	(3,627)	(17,223)	(1,798,028)	1,223,687	(655,461)
<u>87,229</u>	<u>201,105</u>	<u>161,943</u>	<u>3,570,074</u>	<u>2,146,542</u>	<u>9,293,412</u>
<u>\$ 78,150</u>	<u>\$ 197,478</u>	<u>\$ 144,720</u>	<u>\$ 1,772,046</u>	<u>\$ 3,370,229</u>	<u>\$ 8,637,951</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 75,000	\$ 75,000	\$ 90,649	\$ 15,649
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>90,649</u>	<u>15,649</u>
Expenditures:				
Current:				
Judicial	125,000	125,000	102,586	22,414
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>102,586</u>	<u>22,414</u>
Net changes in fund balances	(50,000)	(50,000)	(11,937)	38,063
Fund balances, beginning of year	<u>168,499</u>	<u>168,499</u>	<u>168,499</u>	<u>-</u>
Fund balances, end of year	<u>\$ 118,499</u>	<u>\$ 118,499</u>	<u>\$ 156,562</u>	<u>\$ 38,063</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,266,500	\$ 2,150,000	\$ 2,166,817	\$ 16,817
Interest income	-	-	631	631
Total revenues	<u>2,266,500</u>	<u>2,150,000</u>	<u>2,167,448</u>	<u>17,448</u>
Expenditures:				
Current:				
Public safety	2,632,400	2,170,000	2,162,858	7,142
Total expenditures	<u>2,632,400</u>	<u>2,170,000</u>	<u>2,162,858</u>	<u>7,142</u>
Net changes in fund balances	(365,900)	(20,000)	4,590	24,590
Fund balances, beginning of year	<u>1,198,718</u>	<u>1,198,718</u>	<u>1,198,718</u>	-
Fund balances, end of year	<u>\$ 832,818</u>	<u>\$ 1,178,718</u>	<u>\$ 1,203,308</u>	<u>\$ 24,590</u>

**PAULDING COUNTY, GEORGIA
JAIL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 105,041	\$ 5,041
Investment income	-	-	467	467
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>105,508</u>	<u>5,508</u>
Expenditures:				
Current:				
Public Safety	275,000	250,000	246,800	3,200
Total expenditures	<u>275,000</u>	<u>250,000</u>	<u>246,800</u>	<u>3,200</u>
Net changes in fund balances	(175,000)	(150,000)	(141,292)	8,708
Fund balances, beginning of year	<u>928,107</u>	<u>928,107</u>	<u>928,107</u>	<u>-</u>
Fund balances, end of year	<u>\$ 753,107</u>	<u>\$ 778,107</u>	<u>\$ 786,815</u>	<u>\$ 8,708</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 15,000	\$ 15,000	\$ 14,160	\$ (840)
Investment income	-	-	72	72
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>14,232</u>	<u>(768)</u>
Expenditures:				
Current:				
Public safety	20,000	15,000	12,746	2,254
Total expenditures	<u>20,000</u>	<u>15,000</u>	<u>12,746</u>	<u>2,254</u>
Net changes in fund balances	(5,000)	-	1,486	1,486
Fund balances, beginning of year	<u>143,954</u>	<u>143,954</u>	<u>143,954</u>	<u>-</u>
Fund balances, end of year	<u>\$ 138,954</u>	<u>\$ 143,954</u>	<u>\$ 145,440</u>	<u>\$ 1,486</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 25,000	\$ 50,000	\$ 66,190	\$ 16,190
Interest income	-	-	89	89
Total revenues	<u>25,000</u>	<u>50,000</u>	<u>66,279</u>	<u>16,279</u>
Expenditures:				
Current:				
Public safety	25,000	50,000	27,814	22,186
Total expenditures	<u>25,000</u>	<u>50,000</u>	<u>27,814</u>	<u>22,186</u>
Net changes in fund balances	-	-	38,465	38,465
Fund balances, beginning of year	<u>160,058</u>	<u>160,058</u>	<u>160,058</u>	<u>-</u>
Fund balances, end of year	<u>\$ 160,058</u>	<u>\$ 160,058</u>	<u>\$ 198,523</u>	<u>\$ 38,465</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 120,000	\$ 100,000	\$ 117,362	\$ 17,362
Interest income	-	-	273	273
Total revenues	<u>120,000</u>	<u>100,000</u>	<u>117,635</u>	<u>17,635</u>
Expenditures:				
Current:				
Judicial	120,000	100,000	60,138	39,862
Total expenditures	<u>120,000</u>	<u>100,000</u>	<u>60,138</u>	<u>39,862</u>
Net changes in fund balances	-	-	57,497	57,497
Fund balances, beginning of year	<u>527,183</u>	<u>527,183</u>	<u>527,183</u>	<u>-</u>
Fund balances, end of year	<u>\$ 527,183</u>	<u>\$ 527,183</u>	<u>\$ 584,680</u>	<u>\$ 57,497</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 38,552	\$ 13,552
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>38,552</u>	<u>13,552</u>
Expenditures:				
Current:				
Judicial	50,000	50,000	47,631	2,369
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>47,631</u>	<u>2,369</u>
Net changes in fund balances	(25,000)	(25,000)	(9,079)	15,921
Fund balances, beginning of year	<u>87,229</u>	<u>87,229</u>	<u>87,229</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 62,229</u></u>	<u><u>\$ 62,229</u></u>	<u><u>\$ 78,150</u></u>	<u><u>\$ 15,921</u></u>

**PAULDING COUNTY, GEORGIA
SHERIFF'S COMMISSARY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 150,000	\$ 150,000	\$ 156,633	\$ 6,633
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>156,633</u>	<u>6,633</u>
Expenditures:				
Current:				
Public safety	200,000	200,000	160,260	39,740
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>160,260</u>	<u>39,740</u>
Net changes in fund balances	(50,000)	(50,000)	(3,627)	46,373
Fund balances, beginning of year	<u>201,105</u>	<u>201,105</u>	<u>201,105</u>	<u>-</u>
Fund balances, end of year	<u>\$ 151,105</u>	<u>\$ 151,105</u>	<u>\$ 197,478</u>	<u>\$ 46,373</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 95,000	\$ 95,000	\$ 97,164	\$ 2,164
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>97,164</u>	<u>2,164</u>
Expenditures:				
Current:				
Public Safety	120,000	120,000	114,387	5,613
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>114,387</u>	<u>5,613</u>
Net changes in fund balances	(25,000)	(25,000)	(17,223)	7,777
Fund balances, beginning of year	<u>161,943</u>	<u>161,943</u>	<u>161,943</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 136,943</u></u>	<u><u>\$ 136,943</u></u>	<u><u>\$ 144,720</u></u>	<u><u>\$ 7,777</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, 2015**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 7,085,000	\$ 7,085,000	\$ 7,509,972	\$ 424,972
Investment income	-	-	1,784	1,784
Contributions	-	200,000	210,776	10,776
Total revenues	<u>7,085,000</u>	<u>7,285,000</u>	<u>7,722,532</u>	<u>437,532</u>
Expenditures:				
Debt service:				
Principal	4,155,000	4,595,000	4,155,000	440,000
Interest and fees	2,930,000	3,055,000	2,709,634	345,366
Cost of issuance	-	-	328,665	(328,665)
Total expenditures	<u>7,085,000</u>	<u>7,650,000</u>	<u>7,193,299</u>	<u>456,701</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(365,000)</u>	<u>529,233</u>	<u>894,233</u>
Other financing sources (uses):				
Issuance of long term debt	-	-	27,775,000	27,775,000
Payments to refunded bond escrow agent	-	-	(27,446,335)	(27,446,335)
Transfers in	-	365,000	365,789	789
Total other financing sources (uses)	<u>-</u>	<u>365,000</u>	<u>694,454</u>	<u>329,454</u>
Net changes in fund balances	-	-	1,223,687	1,223,687
Fund balances, beginning of year	<u>2,146,542</u>	<u>2,146,542</u>	<u>2,146,542</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,146,542</u>	<u>\$ 2,146,542</u>	<u>\$ 3,370,229</u>	<u>\$ 1,223,687</u>

PAULDING COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
SPLOST III					
Roads, streets and bridges	\$ 40,500,000	\$ 38,374,964	\$ 38,370,458	\$ 4,506	\$ 38,374,964
Public safety and fire protection facilities and equipment	12,150,000	11,869,075	11,869,075	-	11,869,075
Recreation	28,350,000	27,435,760	23,865,686	1,799,835	25,665,521
Payments to City of Dallas	5,580,000	4,204,080	4,204,080	-	4,204,080
Payments to City of Hiram	3,420,000	2,576,694	2,576,694	-	2,576,694
Total SPLOST III expenditures	<u>\$ 90,000,000</u>	<u>\$ 84,460,573</u>	<u>\$ 80,885,993</u>	<u>\$ 1,804,341</u>	<u>\$ 82,690,334</u>
Non-SPLOST expenditures*					
Roads, streets and bridges			\$ 8,260,841	\$ -	
Public safety and fire protection facilities and equipment			21,000	-	
Recreation			142,702	-	
Total non-SPLOST expenditures			<u>8,424,543</u>	<u>-</u>	
Total Project expenditures			<u>\$ 89,310,536</u>	<u>\$ 1,804,341</u>	
*Paulding County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:					
State Department of Transportation			\$ 5,539,838	\$ -	
State Department of Community Affairs			30,000	-	
City of Dallas			382,190	-	
U.S. Department of Energy			51,000	-	
Governor's Emergency Management Agency			80,677	-	
Developers			2,338,813	-	
West metro soccer			2,025	-	
			<u>\$ 8,424,543</u>	<u>\$ -</u>	

PAULDING COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

Project	Estimated Cost		Expenditures		Total
	Original	Current	Prior Years	Current Year	
SPLOST IV					
Roads, streets and bridges	\$ 47,528,348	\$ 47,528,348	\$ 10,428,598	\$ 6,804,860	\$ 17,233,458
Public safety and fire protection facilities and equipment	17,554,024	17,554,024	5,420,111	3,518,976	8,939,087
Recreation	16,560,400	16,560,400	578,028	17,020	595,048
Economic Development: Fiber Optic Communications	1,159,228	1,159,228	59,049	15,940	74,989
Payments to City of Dallas	6,840,000	6,840,000	3,329,563	1,072,515	4,402,078
Payments to City of Hiram	5,358,000	5,358,000	2,608,159	840,136	3,448,295
Total 2013 SPLOST	\$ 95,000,000	\$ 95,000,000	\$ 22,423,508	\$ 12,269,447	\$ 34,692,955
Non-SPLOST expenditures*					
Roads, streets and bridges			\$ 328,575	\$ 20,000	
Public safety and fire protection facilities and equipment			353,381	23,038	
Recreation			-	-	
Total non-SPLOST expenditures			681,956	43,038	
Total Project expenditures			\$ 23,105,464	\$ 12,312,485	
*Paulding County uses Intergovernmental Revenues as well as contributions from other parties to expand our SPLOST projects. Contributions to the SPLOST Projects are as follows:					
State Department of Transportation			\$ 307,255	\$ -	
Georgia Emergency Management Agency			176,000	-	
Developers			21,320	20,000	
City of Dallas			54,339	2,655	
City of Hiram			60,686	3,953	
West Metro			-	590	
Paulding County Board of Education			62,356	15,840	
			\$ 681,956	\$ 43,038	

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, 2015

	Solid Waste Fund	DFACS Building Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash	\$ -	\$ 625,688	\$ 625,688
Receivables	43,080	-	43,080
Due from other funds	532,050	-	532,050
Total current assets	<u>575,130</u>	<u>625,688</u>	<u>1,200,818</u>
Capital assets:			
Capital assets, not being depreciated	612,233	-	612,233
Capital assets, being depreciated	2,035,972	3,114,495	5,150,467
Less accumulated depreciation	<u>(1,897,880)</u>	<u>(1,031,672)</u>	<u>(2,929,552)</u>
Total capital assets, net of accumulated depreciation	<u>750,325</u>	<u>2,082,823</u>	<u>2,833,148</u>
Total assets	<u>1,325,455</u>	<u>2,708,511</u>	<u>4,033,966</u>
LIABILITIES			
Current liabilities:			
Accounts payable	27,683	5,920	33,603
Accrued expenses	-	1,399	1,399
Compensated absences, current	6,274	-	6,274
Notes payable, current	-	198,308	198,308
Post closure care cost, current	499,759	-	499,759
Total current liabilities	<u>533,716</u>	<u>205,627</u>	<u>739,343</u>
Long-term liabilities:			
Notes payable	-	190,959	190,959
Compensated absences	2,689	-	2,689
Post closure care cost	3,079,553	-	3,079,553
Total long-term liabilities	<u>3,082,242</u>	<u>190,959</u>	<u>3,273,201</u>
Total liabilities	<u>3,615,958</u>	<u>396,586</u>	<u>4,012,544</u>
NET POSITION			
Net investment in capital assets	750,325	1,693,556	2,443,881
Unrestricted	<u>(3,040,828)</u>	<u>618,369</u>	<u>(2,422,459)</u>
Total net position	<u>\$ (2,290,503)</u>	<u>\$ 2,311,925</u>	<u>\$ 21,422</u>

PAULDING COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Solid Waste Fund</u>	<u>DFACS Building Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Miscellaneous revenues	\$ 5,141	\$ -	\$ 5,141
Landfill and recycling fees	781,485	-	781,485
Lease income	-	371,466	371,466
Total operating revenues	<u>786,626</u>	<u>371,466</u>	<u>1,158,092</u>
OPERATING EXPENSES			
Salaries and benefits	196,879	-	196,879
Other operating expenses	642,077	105,815	747,892
Depreciation expense	60,784	77,862	138,646
Total operating expenses	<u>899,740</u>	<u>183,677</u>	<u>1,083,417</u>
Operating income (loss)	(113,114)	187,789	74,675
NONOPERATING EXPENSES			
Interest expense	-	(23,263)	(23,263)
Total nonoperating expenses	<u>-</u>	<u>(23,263)</u>	<u>(23,263)</u>
INCOME (LOSS) BEFORE TRANSFERS	(113,114)	164,526	51,412
Transfers in	200,000	-	200,000
Total transfers	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Change in net position	86,886	164,526	251,412
NET POSITION, beginning of year	<u>(2,377,389)</u>	<u>2,147,399</u>	<u>(229,990)</u>
NET POSITION, end of year	<u>\$ (2,290,503)</u>	<u>\$ 2,311,925</u>	<u>\$ 21,422</u>

PAULDING COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Solid Waste Fund	DFACS Building Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 806,000	\$ 371,466	\$ 1,177,466
Payments to suppliers and service providers	(813,395)	(99,895)	(913,290)
Payments to employees	(192,605)	-	(192,605)
Net cash provided by (used in) operating activities	<u>(200,000)</u>	<u>271,571</u>	<u>71,571</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on notes	-	(188,944)	(188,944)
Interest and fiscal charges paid	-	(23,944)	(23,944)
Net cash used in capital and related financing activities	<u>-</u>	<u>(212,888)</u>	<u>(212,888)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	200,000	-	200,000
Net cash provided by noncapital financing activities	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net increase in cash and cash equivalents	-	58,683	58,683
Cash and cash equivalents:			
Beginning of year	-	567,005	567,005
End of year	<u>\$ -</u>	<u>\$ 625,688</u>	<u>\$ 625,688</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (113,114)	\$ 187,789	\$ 74,675
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	60,784	77,862	138,646
Decrease in accounts receivable	19,374	-	19,374
Increase in due from other funds	(174,516)	-	(174,516)
Increase in accounts payable	3,198	5,920	9,118
Increase in compensated absences	4,274	-	4,274
Net cash provided by (used in) operating activities	<u>\$ (200,000)</u>	<u>\$ 271,571</u>	<u>\$ 71,571</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, 2015**

<u>ASSETS</u>	<u>Tax Commissioner</u>	<u>Sheriff</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Court Administration</u>	<u>Total</u>
Cash	\$ 1,647,076	\$ 58,858	\$ 1,318,310	\$ 123,514	\$ 22,181	\$ 3,169,939
Taxes receivable	2,167,534	-	-	-	-	2,167,534
Total assets	<u>\$ 3,814,610</u>	<u>\$ 58,858</u>	<u>\$ 1,318,310</u>	<u>\$ 123,514</u>	<u>\$ 22,181</u>	<u>\$ 5,337,473</u>
<u>LIABILITIES</u>						
Due to others	\$ 1,647,076	\$ 58,858	\$ 1,318,310	\$ 123,514	\$ 22,181	\$ 3,169,939
Uncollected taxes	2,167,534	-	-	-	-	2,167,534
Total liabilities	<u>\$ 3,814,610</u>	<u>\$ 58,858</u>	<u>\$ 1,318,310</u>	<u>\$ 123,514</u>	<u>\$ 22,181</u>	<u>\$ 5,337,473</u>

PAULDING COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
<u>Tax Commissioner</u>				
ASSETS				
Cash	\$ 1,407,788	\$ 123,222,251	\$ (122,982,963)	\$ 1,647,076
Taxes receivable	2,403,479	88,183,085	(88,419,030)	2,167,534
Total assets	<u>\$ 3,811,267</u>	<u>\$ 211,405,336</u>	<u>\$ (211,401,993)</u>	<u>\$ 3,814,610</u>
LIABILITIES				
Due to others	\$ 1,407,788	\$ 123,222,251	\$ (122,982,963)	\$ 1,647,076
Uncollected taxes	2,403,479	88,183,085	(88,419,030)	2,167,534
Total liabilities	<u>\$ 3,811,267</u>	<u>\$ 211,405,336</u>	<u>\$ (211,401,993)</u>	<u>\$ 3,814,610</u>
<u>Sheriff</u>				
ASSETS				
Cash	\$ 60,680	\$ 760,352	\$ (762,174)	\$ 58,858
Total assets	<u>\$ 60,680</u>	<u>\$ 760,352</u>	<u>\$ (762,174)</u>	<u>\$ 58,858</u>
LIABILITIES				
Due to others	\$ 60,680	\$ 760,352	\$ (762,174)	\$ 58,858
Total liabilities	<u>\$ 60,680</u>	<u>\$ 760,352</u>	<u>\$ (762,174)</u>	<u>\$ 58,858</u>
<u>Clerk of Superior Court</u>				
ASSETS				
Cash	\$ 974,318	\$ 5,441,593	\$ (5,097,601)	\$ 1,318,310
Total assets	<u>\$ 974,318</u>	<u>\$ 5,441,593</u>	<u>\$ (5,097,601)</u>	<u>\$ 1,318,310</u>
LIABILITIES				
Due to others	\$ 974,318	\$ 5,441,593	\$ (5,097,601)	\$ 1,318,310
Total liabilities	<u>\$ 974,318</u>	<u>\$ 5,441,593</u>	<u>\$ (5,097,601)</u>	<u>\$ 1,318,310</u>

(Continued)

PAULDING COUNTY, GEORGIA

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
<u>Probate Court</u>				
ASSETS				
Cash	\$ 97,559	\$ 1,844,860	\$ (1,818,905)	\$ 123,514
Total assets	<u>\$ 97,559</u>	<u>\$ 1,844,860</u>	<u>\$ (1,818,905)</u>	<u>\$ 123,514</u>
LIABILITIES				
Due to others	\$ 97,559	\$ 1,844,860	\$ (1,818,905)	\$ 123,514
Total liabilities	<u>\$ 97,559</u>	<u>\$ 1,844,860</u>	<u>\$ (1,818,905)</u>	<u>\$ 123,514</u>
<u>Court Administration</u>				
ASSETS				
Cash	\$ 25,882	\$ 656,975	\$ (660,676)	\$ 22,181
Total assets	<u>\$ 25,882</u>	<u>\$ 656,975</u>	<u>\$ (660,676)</u>	<u>\$ 22,181</u>
LIABILITIES				
Due to others	\$ 25,882	\$ 656,975	\$ (660,676)	\$ 22,181
Total liabilities	<u>\$ 25,882</u>	<u>\$ 656,975</u>	<u>\$ (660,676)</u>	<u>\$ 22,181</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash	\$ 2,566,227	\$ 131,926,031	\$ (131,322,319)	\$ 3,169,939
Taxes receivable	2,403,479	88,183,085	(88,419,030)	2,167,534
Total assets	<u>\$ 4,969,706</u>	<u>\$ 220,109,116</u>	<u>\$ (219,741,349)</u>	<u>\$ 5,337,473</u>
LIABILITIES				
Due to others	\$ 2,566,227	\$ 131,926,031	\$ (131,322,319)	\$ 3,169,939
Uncollected taxes	2,403,479	88,183,085	(88,419,030)	2,167,534
Total liabilities	<u>\$ 4,969,706</u>	<u>\$ 220,109,116</u>	<u>\$ (219,741,349)</u>	<u>\$ 5,337,473</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>
Financial Trends	96-100
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity.....	101-104
These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.	
Debt Capacity.....	105-109
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	110 and 111
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information.....	112-114
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

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

PAULDING COUNTY, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 77,908	\$ 239,623	\$ 269,376	\$ 286,905	\$ 297,040	\$ 309,392	\$ 317,191	\$ 323,994	\$ 348,388	\$ 352,136
Restricted:	17,220	17,663	24,221	31,811	33,746	33,998	38,480	40,181	40,910	43,627
Unrestricted:	21,276	20,858	19,522	18,027	20,674	24,187	27,326	36,275	37,004	38,231
Total governmental activities net position	\$ 116,404	\$ 278,144	\$ 313,119	\$ 336,743	\$ 351,460	\$ 367,577	\$ 382,987	\$ 400,450	\$ 426,302	\$ 433,994
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 76,138	\$ 98,506	\$ 114,514	\$ 121,465	\$ 110,792	\$ 110,693	\$ 109,919	\$ 109,324	\$ 109,486	\$ 109,802
Restricted	9,743	29,199	28,721	19,904	18,497	20,760	18,101	17,573	16,337	25,633
Unrestricted	6,716	4,201	521	2,562	6,885	5,811	10,533	13,141	19,199	15,779
Total business-type activities net position	\$ 92,597	\$ 131,906	\$ 143,756	\$ 143,931	\$ 136,174	\$ 137,264	\$ 138,553	\$ 140,038	\$ 145,022	\$ 151,214
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 154,046	\$ 338,129	\$ 383,890	\$ 408,370	\$ 407,832	\$ 420,085	\$ 427,110	\$ 433,318	\$ 457,874	\$ 461,938
Restricted	26,963	46,862	52,942	51,715	52,243	54,758	56,581	57,754	57,247	69,260
Unrestricted	27,992	29,059	20,043	20,589	27,559	29,998	37,859	49,416	56,203	54,010
Total primary government net position	\$ 209,001	\$ 410,050	\$ 456,875	\$ 480,674	\$ 487,634	\$ 504,841	\$ 521,550	\$ 540,488	\$ 571,324	\$ 585,208
Restatements	\$ 116,368	\$ -	\$ -	\$ (6,370)	\$ 1,208	\$ -	\$ (1,263)	\$ -	\$ (5,798)	\$ -
Total primary government net position, after restatements	\$ 325,369	\$ 410,050	\$ 456,875	\$ 474,304	\$ 488,842	\$ 504,841	\$ 520,287	\$ 540,488	\$ 565,526	\$ 585,208

PAULDING COUNTY, GEORGIA

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 9,343,597	\$ 11,096,377	\$ 11,875,723	\$ 15,134,639	\$ 14,098,539	\$ 13,857,914	\$ 12,828,690	\$ 13,486,082	\$ 16,161,698	\$ 13,467,900
Judicial	4,320,100	4,863,031	5,001,704	5,287,183	5,151,644	5,110,368	4,968,486	4,950,952	4,988,519	5,369,441
Public safety	23,427,824	25,601,124	28,693,906	28,967,134	29,170,128	30,212,938	30,727,439	31,408,123	32,541,547	34,910,648
Public works	9,392,493	16,193,950	17,492,423	17,090,062	18,418,050	18,359,434	20,546,641	17,230,240	15,932,680	16,861,667
Health and welfare	1,501,053	1,557,815	1,933,974	1,811,145	1,914,298	1,902,239	1,720,419	1,572,223	1,101,925	1,090,330
Culture and recreation	2,991,162	3,334,112	3,695,956	3,349,656	3,408,073	3,575,759	3,338,955	3,035,588	3,887,285	4,119,985
Housing and development	2,254,306	2,679,322	2,651,121	2,233,494	2,835,188	3,373,239	2,905,201	7,009,854	3,494,755	3,115,861
Interest on long term debt	418,515	1,004,685	4,075,876	3,915,011	3,685,045	3,174,633	3,434,916	3,252,729	3,228,459	3,054,321
Intergovernmental	-	-	-	-	4,056,291	-	-	-	-	9,217,651
Total governmental activities expenses	53,649,050	66,330,416	75,420,683	77,788,324	82,737,256	79,566,524	80,470,747	81,945,761	81,336,868	91,207,804
Business-type activities:										
Water and sewer	14,959,326	17,177,349	18,285,107	20,444,230	22,764,941	23,625,349	24,760,061	25,298,500	25,070,543	26,610,733
DFACS building	184,911	159,522	182,939	160,480	149,806	145,342	136,802	133,435	129,039	206,940
Solid waste	615,454	710,594	871,377	2,906,377	918,100	920,355	859,441	935,999	845,047	899,740
Total business-type activities expense	15,739,691	18,047,465	19,319,423	23,511,087	23,832,847	24,691,046	25,756,304	26,367,934	26,044,629	27,717,413
Total primary government expense	\$ 69,388,741	\$ 84,377,881	\$ 94,740,106	\$ 101,299,411	\$ 106,570,103	\$ 104,257,570	\$ 106,227,051	\$ 108,313,695	\$ 107,381,497	\$ 118,925,217
Program Revenues										
Governmental activities:										
Charges for services	\$ 1,912,519	\$ 2,145,429	\$ 2,759,231	\$ 3,033,474	\$ 2,397,118	\$ 2,132,286	\$ 1,864,262	\$ 1,977,998	\$ 2,045,515	\$ 2,209,102
Judicial	2,666,957	2,581,006	3,039,953	3,201,439	3,492,115	3,403,627	3,346,870	3,351,315	2,656,769	2,475,097
Public safety	2,258,208	2,349,050	2,317,901	2,312,619	3,502,410	3,074,576	2,654,077	2,867,671	3,412,588	3,610,189
Public works	-	-	1,061,657	1,021,306	1,069,047	1,181,796	1,084,215	1,114,756	1,199,716	1,205,856
Housing and development	3,152,666	2,833,646	1,377,107	713,609	444,926	269,317	283,264	539,051	810,710	859,955
Other activities	1,121,734	1,283,062	340,607	352,270	344,837	372,423	452,223	476,720	504,372	517,190
Operating grants and contributions	366,169	713,552	889,127	1,311,103	455,452	726,533	866,016	618,866	350,281	361,075
Capital grants and contributions	9,406,949	36,593,097	24,208,239	19,614,453	9,599,840	11,522,537	12,311,297	13,268,828	17,904,480	10,840,920
Total governmental activities program revenues	\$ 20,905,202	\$ 48,498,842	\$ 35,993,822	\$ 31,560,273	\$ 21,305,745	\$ 22,683,295	\$ 22,862,224	\$ 24,215,205	\$ 28,884,431	\$ 22,079,384

continued

PAULDING COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Non-spendable fund balance	\$ 403,708	\$ 403,053	\$ 433,881	\$ 348,125	\$ 328,649	\$ 369,532	\$ 401,964	\$ 479,709	\$ 515,676	\$ 134,263
Restricted	-	-	-	-	-	351,717	-	-	-	-
Assigned	463,458	635,774	879,252	724,303	3,094,253	3,647,117	2,820,546	7,014,545	9,143,060	7,153,172
Unassigned	21,651,314	22,496,280	20,098,938	15,849,241	16,470,220	18,359,367	23,264,808	28,007,092	30,845,409	37,771,468
Total General Fund	\$ 22,518,480	\$ 23,535,107	\$ 21,412,071	\$ 16,921,669	\$ 19,893,122	\$ 22,727,733	\$ 26,487,318	\$ 35,501,346	\$ 40,504,145	\$ 45,058,903
All other governmental funds										
Restricted	14,063,977	17,058,465	23,872,353	30,142,577	31,947,797	35,488,805	39,231,507	40,768,217	40,289,627	42,976,052
Committed	-	-	-	-	-	166,972	195,566	190,787	201,105	197,478
Assigned fund	1,725,316	79,428,819	25,058,539	4,974,557	5,153,393	733,069	429,034	1,104,093	133,769	-
Total all other governmental funds	\$ 15,789,293	\$ 96,487,284	\$ 48,930,892	\$ 35,117,134	\$ 37,101,190	\$ 36,388,846	\$ 39,856,107	\$ 42,063,097	\$ 40,624,501	\$ 43,173,530

*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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 55,621,506	\$ 61,402,456	\$ 71,139,378	\$ 69,425,275	\$ 73,507,364	\$ 71,902,947	\$ 72,726,010	\$ 76,420,730	\$ 78,530,992	\$ 83,052,074
Licenses and permits	1,770,807	1,684,058	827,043	418,666	314,199	396,477	401,286	563,840	700,449	799,445
Intergovernmental*	1,502,209	10,503,875	12,539,098	17,994,489	7,566,746	12,863,115	8,602,078	13,438,765	8,478,505	2,745,819
Fines and forfeitures	931,095	929,701	1,429,305	1,870,675	1,916,401	1,916,401	1,809,874	1,790,623	1,665,816	1,393,119
Charges for services	7,830,328	7,922,743	7,732,736	7,507,272	7,949,596	7,721,805	7,086,883	7,518,179	7,822,228	8,193,060
Investment earnings	954,266	2,056,682	3,591,789	781,674	193,451	182,125	158,175	147,622	104,227	92,462
Contributions and donations	38,527	48,479	1,253,773	881,872	469,124	596,635	202,237	357,199	270,244	322,073
Miscellaneous	226,527	320,787	525,657	442,094	544,246	314,047	384,871	433,835	349,094	381,653
Total revenues	68,875,265	84,868,781	99,038,779	99,322,017	92,711,732	95,893,552	91,371,414	100,690,793	97,922,055	96,979,705
Expenditures										
General government	8,702,356	10,774,513	11,285,677	11,081,126	11,207,834	11,256,783	10,233,219	11,010,598	11,954,367	12,176,378
Judicial	4,131,459	4,677,542	4,850,252	5,171,580	5,045,118	5,008,761	5,005,183	4,927,934	4,978,802	5,321,765
Public Safety	21,964,695	24,469,922	27,502,036	27,550,200	27,534,354	28,182,770	29,174,642	29,663,023	31,055,954	33,174,672
Public works	9,051,348	12,569,722	12,284,573	11,454,071	12,479,067	10,695,703	11,866,358	8,537,966	9,485,961	10,282,390
Health and welfare	1,003,947	1,116,516	1,420,336	1,745,749	1,868,875	1,856,781	1,692,810	1,012,616	1,057,318	1,062,506
Culture and recreation	2,969,136	3,315,581	3,683,992	2,837,411	2,820,172	2,866,307	2,600,661	2,799,616	3,335,714	3,367,942
Housing and development	2,235,320	2,699,848	3,446,918	3,040,188	2,073,949	2,600,816	2,048,471	1,943,792	2,715,439	2,331,184
Capital outlay	16,542,982	24,834,462	78,418,236	47,761,495	19,150,903	22,910,133	13,348,602	18,158,525	26,934,285	18,466,921
Debt service										
Principal	1,077,163	700,000	1,935,000	2,450,000	2,545,000	2,395,000	2,545,000	2,970,000	3,470,000	4,155,000
Interest	430,496	405,656	3,181,795	4,034,357	3,860,850	3,693,609	3,600,576	3,504,287	2,864,914	2,709,634
Issuance costs	-	1,107,269	-	-	138,064	-	-	-	550,005	328,665
Intergovernmental	-	-	-	-	1,350,696	1,439,814	1,843,534	5,512,556	1,813,713	1,912,651
Total expenditures	68,108,502	86,671,031	148,008,815	117,126,177	90,064,882	92,306,477	83,959,056	90,061,142	100,216,472	95,289,708
Excess of revenues over (under) expenditures	766,763	(1,802,250)	(48,970,036)	(17,804,160)	2,646,850	2,987,075	7,412,358	10,629,651	(2,294,417)	1,689,997
Other financing sources (uses)										
Transfers in	3,925,600	3,738,506	7,860,275	6,960,000	4,990,595	-	-	665,836	436,954	553,237
Transfers out	(3,975,600)	(3,788,506)	(6,172,500)	(7,460,000)	(2,535,000)	(200,000)	(200,000)	(865,836)	(636,954)	(753,237)
Refunding bonds issued	-	-	-	-	5,129,938	-	-	-	46,591,069	33,049,000
Bonds issued	-	79,885,000	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	768,490	-	-
Loans issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	3,681,868	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(5,276,874)	-	-	-	(40,562,979)	(27,446,335)
Sale of capital assets	-	-	-	-	-	35,163	14,488	22,877	30,530	11,125
Total other financing sources (uses)	(50,000)	83,516,868	1,687,775	(500,000)	2,308,659	(164,837)	(185,512)	591,367	5,858,620	5,413,790
Net change in fund balances	\$ 716,763	\$ 81,714,618	\$ (47,282,261)	\$ (18,304,160)	\$ 4,955,509	\$ 2,822,238	\$ 7,226,846	\$ 11,221,018	\$ 3,564,203	\$ 7,103,787
Debt service as a percentage of noncapital expenditures	2.99%	3.70%	7.47%	10.31%	10.38%	9.75%	9.81%	8.87%	8.66%	9.11%

* 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
2005	\$ 2,548,274	\$ 55,928	\$ 654,582	\$ 3,258,784	7.00	\$ 8,146,960
2006	3,087,834	63,713	724,521	3,876,067	7.00	9,690,168
2007	3,451,495	69,459	825,885	4,346,839	9.00	10,867,098
2008	3,622,563	78,043	886,331	4,586,937	9.00	11,467,343
2009	3,334,739	81,707	906,124	4,322,570	10.25	10,806,425
2010	2,660,186	88,174	838,063	3,586,423	11.47	8,966,058
2011	2,401,829	88,174	782,267	3,272,271	11.47	8,180,677
2012	2,139,438	88,174	784,480	3,012,091	13.44	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

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	Board of Education		Total School Millage	State of Georgia	City of Dallas		City of Hiram
	Incorporated	Unincorporated				Operating Millage	Debt Service Millage					
2005	6.50	6.50	0.50	0.00	7.00	16.41	1.12	17.53	0.25	3.14	-	27.92
2006	6.80	6.80	0.20	0.00	7.00	16.41	0.56	16.97	0.25	3.79	-	28.01
2007	6.50	6.50	0.50	2.00	9.00	18.91	2.08	20.99	0.25	3.79	-	34.03
2008	6.50	6.50	0.50	2.00	9.00	18.91	2.96	21.87	0.25	3.79	-	34.91
2009	6.65	6.65	1.60	2.00	10.25	18.91	2.96	21.87	0.25	3.79	-	36.16
2010	7.60	7.60	1.87	2.00	11.47	18.91	2.96	21.87	0.25	3.79	-	37.38
2011	7.60	7.60	1.87	2.00	11.47	18.91	0.00	18.91	0.25	3.79	-	34.42
2012	8.29	8.29	2.05	3.10	13.44	18.91	0.00	18.91	0.20	4.17	-	36.72
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

Source: Paulding County Board of Commissioners Minutes

PAULDING COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS Current Year and Nine Years Ago June 30, 2015

Taxpayer	2015			2006		
	Taxes Levied	Rank	Percentage of Total Tax Levy	Taxes Levied	Rank	Percentage of Total Tax Levy
Greystone Power	\$ 451,798	1	1.22%	\$ 405,669	3	2.26%
WellStar Health System	372,166	2	1.01%			
Georgia Transmission Corp.	260,855	3	0.70%	217,054	7	1.21%
IA Hiram Smith L.L.C.	164,607	4	0.44%	281,913	5	1.57%
Norfolk Southern	135,551	5	0.37%			
City of Atlanta	124,490	6	0.34%	201,758	8	1.12%
BellSouth Telecommunications	120,507	7	0.33%	262,636	6	1.46%
Georgia Power Company	120,027	8	0.32%			
Walmart Real Estate	109,331	9	0.30%			
Jones Co. Ltd.	105,584	10	0.29%	465,471	2	2.59%
Paulding Associates				164,814	10	0.92%
Wal-Mart				383,437	4	2.14%
TEMCO & Associates				526,962	1	2.94%
St. Ives				168,945	9	0.94%

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
2006	\$ 17,951,043	\$ 17,597,446	98.03%	\$ 351,556	\$ 17,949,002	99.99%
2007	21,138,250	21,106,336	99.85%	23,370	21,129,706	99.96%
2008	31,572,008	31,396,979	99.45%	145,589	31,542,568	99.91%
2009	32,907,367	32,525,284	98.84%	339,500	32,864,784	99.87%
2010	37,382,099	36,572,301	97.83%	746,289	37,318,590	99.83%
2011	34,436,345	34,274,232	99.53%	93,038	34,367,270	99.80%
2012	31,632,338	30,571,901	96.65%	956,882	31,528,783	99.67%
2013	33,377,150	32,582,693	97.62%	641,405	33,224,098	99.54%
2014	34,080,208	33,383,040	97.95%	410,315	33,793,355	99.16%
2015	37,024,551	36,426,765	98.39%	-	36,426,765	98.39%

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	Primary Government			
2006	\$ 9,740,000	\$ -	\$ -	\$ 41,879,006	\$ 713,015	\$ -	\$ 54,157,486	1.90%	\$ 448	
2007	92,583,361	-	-	40,108,914	570,605	-	134,932,917	4.70%	1,076	
2008	90,506,751	-	-	38,253,822	419,435	-	130,717,274	4.54%	1,022	
2009	87,915,141	-	-	52,672,479	258,966	-	142,243,239	3.62%	1,068	
2010	85,074,829	-	-	50,137,998	6,829,724	-	143,290,991	3.24%	1,049	
2011	82,160,679	-	-	47,072,085	6,438,771	-	136,764,387	2.86%	961	
2012	79,387,554	-	-	43,856,877	1,569,321	-	130,173,752	2.66%	907	
2013	76,213,797	-	768,490	41,466,200	1,372,790	-	124,911,277	2.36%	863	
2014	76,691,519	4,590,000	1,739,559	37,850,544	1,166,964	-	126,723,586	2.26%	862	
2015	74,670,176	11,480,000	7,013,559	34,076,056	951,393	-	132,456,184	2.80%	889	

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	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net bonded Debt to Assessed Value	Net Bonded Debt per Capita
2006	120,841	\$ 3,258,784	\$ 9,740,000	\$ 2,469,702	\$ 7,270,298	0.22%	\$ 60
2007	125,351	3,876,067	92,583,361	2,472,717	90,110,644	2.32%	719
2008	127,906	4,346,839	90,506,751	1,285,973	89,220,778	2.05%	698
2009	133,135	4,586,937	87,915,141	1,275,280	86,639,861	1.89%	651
2010	136,655	4,322,570	85,074,829	1,059,728	84,015,101	1.94%	615
2011	142,324	3,586,423	82,160,679	1,313,563	80,847,116	2.25%	568
2012	143,542	3,272,271	79,387,554	1,232,569	78,154,985	2.39%	544
2013	144,800	3,012,091	76,213,737	1,515,862	74,697,875	2.48%	516
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

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, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated* Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
General Obligation Bonds	\$ 74,670,176	100%	\$ 74,670,176
Intergovernmental Payable	11,480,000	100%	11,480,000
Loans Payable	<u>7,013,559</u>	100%	<u>7,013,559</u>
Total Direct	93,163,735		93,163,735
Overlapping:			
Paulding County School District:			
General Obligation Bonds	102,380,000	90%	92,142,000
Capital Leases	180,420	90%	162,378
City of Dallas:			
Intergovernmental Contracts	6,125,000	6%	367,500
GEFA Loans	<u>17,824,715</u>	6%	<u>1,069,483</u>
Total Overlapping	126,510,135		93,741,361
Total Direct and Overlapping	<u>\$ 219,673,870</u>		<u>\$ 186,905,096</u>

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

PAULDING COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value of Property	\$ 3,258,783,875	\$ 3,876,066,965	\$ 4,346,838,804	\$ 4,586,936,931	\$ 4,322,569,651	\$ 3,586,423,135	\$ 3,272,270,626	\$ 3,012,091,356	\$ 3,054,130,546	\$ 3,418,312,210
Less: Special Homestead Exemption	(144,164,352)	(188,576,783)	(201,769,303)	(219,424,316)	(220,206,684)	(186,756,893)	(225,191,114)	(224,685,721)	(221,222,794)	(204,932,223)
Assessed Value for Bond Purposes	<u>\$ 3,114,619,523</u>	<u>\$ 3,687,490,182</u>	<u>\$ 4,145,069,501</u>	<u>\$ 4,367,512,615</u>	<u>\$ 4,102,362,967</u>	<u>\$ 3,397,666,242</u>	<u>\$ 3,047,079,512</u>	<u>\$ 2,787,405,635</u>	<u>\$ 2,832,907,752</u>	<u>\$ 3,213,379,987</u>
Debt Limit - 10% of Assessed Value	\$ 311,461,952	\$ 368,749,018	\$ 414,506,950	\$ 436,751,262	\$ 410,236,297	\$ 339,766,624	\$ 304,707,951	\$ 278,740,564	\$ 283,290,775	\$ 321,337,999
Amount of Debt Applicable to Debt Limit:										
General Obligation Bonds	\$ 9,740,000	\$ 88,925,000	\$ 86,990,000	\$ 84,540,000	\$ 81,780,000	\$ 79,385,000	\$ 76,840,000	\$ 73,870,000	\$ 76,691,519	\$ 74,670,176
Less: Available in Debt Service Fund	(2,469,702)	(2,472,717)	(1,285,973)	(1,275,280)	(1,059,728)	(1,313,563)	(1,232,569)	(1,515,862)	(2,146,542)	(3,370,229)
Net Debt Applicable to Debt Limit	<u>\$ 7,270,298</u>	<u>\$ 86,452,283</u>	<u>\$ 85,704,027</u>	<u>\$ 83,264,720</u>	<u>\$ 80,720,272</u>	<u>\$ 78,071,437</u>	<u>\$ 75,607,431</u>	<u>\$ 72,354,138</u>	<u>\$ 74,544,977</u>	<u>\$ 71,299,947</u>
Legal Debt Margin	<u>\$ 304,191,654</u>	<u>\$ 282,296,735</u>	<u>\$ 323,802,923</u>	<u>\$ 353,486,542</u>	<u>\$ 329,516,025</u>	<u>\$ 261,695,187</u>	<u>\$ 229,100,520</u>	<u>\$ 206,386,426</u>	<u>\$ 208,745,798</u>	<u>\$ 250,038,052</u>
Total net debt applicable to the limit as a percentage of debt limit	2.33%	23.44%	20.68%	19.06%	19.68%	22.98%	24.81%	25.96%	26.31%	22.19%

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

PAULDING COUNTY, GEORGIA

PLEDGED REVENUE COVERAGE Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available for Debt Services	Debt Service Requirements (2)		Total	Coverage
				Principal	Interest		
2006	\$ 17,790,621	\$ 10,261,848	\$ 7,528,773	\$ 1,645,000	\$ 1,989,618	\$ 3,634,618	2.07
2007	20,180,090	11,780,024	8,400,066	1,770,000	1,961,707	3,731,707	2.25
2008	19,002,271	12,222,465	6,779,806	1,855,000	1,909,311	3,764,311	1.80
2009	20,304,005	13,727,385	6,576,620	1,940,000	1,997,191	3,937,191	1.67
2010	21,814,247	15,276,639	6,537,608	2,340,000	1,751,813	4,091,813	1.60
2011	23,486,640	16,135,691	7,350,949	2,860,000	2,003,118	4,863,118	1.51
2012	24,829,896	16,961,111	7,868,785	3,000,000	1,883,644	4,883,644	1.61
2013	25,296,030	17,938,024	7,358,006	3,130,000	1,746,914	4,876,914	1.51
2014	26,046,079	18,174,022	7,872,057	3,285,000	1,495,281	4,780,281	1.65
2015	27,812,318	19,835,391	7,976,927	3,455,000	1,369,619	4,824,619	1.65

(1) Total operating expenses exclusive of depreciation.

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

PAULDING COUNTY, GEORGIA

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income		Unemployment Rate (3)
		(amounts expressed in thousands)	Per Capita Income (2)	
2006	120,841	\$ 2,844,114	\$ 23,536	4.0%
2007	125,351	2,870,413	22,899	4.0%
2008	127,906	2,877,118	22,494	6.3%
2009	133,135	3,932,675	29,539	10.7%
2010	136,655	4,428,032	32,403	10.8%
2011	142,324	4,773,974	33,543	10.5%
2012	143,542	4,902,246	34,152	8.7%
2013	144,800	5,283,028	36,485	8.3%
2014	146,950	5,596,003	38,081	7.8%
2015	148,987	4,724,825	31,713	5.5%

(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	2015			2006		
	Employees	Rank	Percentage of Paulding County Employment	Employees	Rank	Percentage of Paulding County Employment
WellStar Health System Inc	3789	1	5.31%	365	4	0.64%
Paulding County Board of Education	3295	2	4.62%	3000	1	5.23%
Wal-mart Associates Inc.	1715	3	2.40%	701	3	1.22%
Paulding County Government	845	4	1.18%	703	2	1.23%
Kroger	671	5	0.94%			
Publix Super Markets	207	6	0.29%	117	9	0.20%
Metromont Press	200	7	0.28%			
Learning Bridge	176	8	0.25%			
Home Depot	155	9	0.22%	110	10	0.19%
Waffle House	150	10	0.21%	200	7	
Aiken Grading				260	5	0.45%
Target Corporation				185	8	0.32%
Bellsouth				230	6	0.40%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	82	85	84	81	77	74	74	74	76	76
Judicial	47	71	70	70	64	62	62	67	76	76
Public Safety	61	61	54	44	47	47	48	49	51	51
Firefighters	75	81	85	112	118	129	129	138	140	140
Sheriff	240	269	268	269	278	268	272	282	276	276
Public Works	94	96	94	88	88	80	80	81	81	81
Department of Transportation	61	64	61	59	53	55	55	58	58	58
Health and welfare	9	8	8	8	8	7	7	8	7	7
Culture and recreation	37	38	39	34	34	35	35	35	38	38
Housing and development	28	25	25	12	13	14	13	14	17	17
Total	734	798	788	777	780	771	775	806	820	845

Source: Paulding County Finance Department - Budget Documents

PAULDING COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Animal Control cases	5,866	7,801	6,513	5,898	5,232	4,983	3,868	3,636	3,368	3,241
Emergency 911 ** call volume	140,673 *	188,029	203,401	228,760	218,627	218,627	285,813	285,813	286,846	283,326
Marshal call volume	1,272	1,190	986	1,094	831	1,725	3,133	2,834	2,861	2,246
Fire call volume	8,659	9,001	9,140	9,297	9,799	10,379	10,772	10,772	11,865	12,667
Sheriff call volume	46,233	58,054	73,221	71,054	71,925	71,925	64,197	64,405	59,871	57,456
Health and welfare										
Senior Programs	1,265	1,485	1,400	1,092	1,100	1,080	1,085	1,085	1,085	1,282
Transit Trips	38,680	29,470	39,745	42,809	43,450	43,520	43,200	43,200	43,200	33,414
Meals on Wheels	3,828	18,571	19,620	29,107	29,220	29,200	29,150	29,150	29,150	26,009
Culture and recreation										
Recreation programs	98	110	103	165	115	121	180	180	180	168
Housing and development										
Permits issued	3,686	2,953	1,600	812	741	536	474	725	1,086	2,725

* A hardware failure with the Bellsouth line logger caused permanent loss of call volume.

n/a Information is not available.

Source: Paulding County Departments

PAULDING COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Buildings	51	51	51	51	52	52	52	52	52	52
Public Safety										
Fire stations	10	10	10	10	11	12	12	12	12	13
Culture and recreation										
Acreage	832	923.4	1014.8	1106.2	1197.6	1197.6	1197.6	1197.6	1204.6	1381.6
Parks	10	11	11	11	11	11	11	11	12	12

Source: Paulding County Government asset records