Prepared by the **FORSYTH**COUNTY Finance Department



2009 Comprehensive Annual Financial Report

For the year ended December 31, 2009

2009 Comprehensive Annual Financial Report



Prepared by the **FORSYTH**COUNTY Finance Department
110 E. Main Street | Suite 255 | Cumming, GA 30040

For the year ended December 31, 2009

Introductory Section

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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Forsyth County Board of Commissioners

CHARLES LAUGHINGHOUSE
CHAIRMAN

JIM HARRELL
VICE-CHAIRMAN

PATRICK B. BELL
SECRETARY

JIM BOFF
MEMBER

BRIAN R. TAM
MEMBER

DOUG DERRER
COUNTY MANAGER

August 10, 2010

TO THE CITIZENS OF FORSYTH COUNTY:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Forsyth County, Georgia requested a 90-day extension on June 16, 2010 for filing the December 31, 2009 Comprehensive Annual Report (CAFR) that is due June 30, 2010. Forsyth County, Georgia was granted this request on June 18, 2010. Pursuant to the requirements; we hereby issue the comprehensive annual financial report of Forsyth County, Georgia for the fiscal year ended December 31, 2009.

This report consists of management's representations concerning the finances of the county. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the county has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the county's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the county's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, LLC, a firm of licensed certified public accountants, have audited the county's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the county for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Forsyth County, Georgia's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of federal and state financial assistance, the county is also responsible for ensuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to those programs. Thus internal controls are subject to periodic evaluation by management.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The county's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Forsyth County was created on December 3, 1832. It was named for John Forsyth, a Virginia born attorney who served Georgia as its Attorney General, Governor, Congressman, and Senator. John Forsyth also served as U.S. Secretary of State under Presidents Andrew Jackson and Martin Van Buren. Forsyth County lies on the western shores of Lake Sidney Lanier, which serves as the major recreational and tourism site in the county. The county is bordered by Fulton County, Cherokee County, Dawson County, Hall County and Gwinnett County.

The 1990 Census showed Forsyth County with a population of 44,083. The nineties were a boom time in the county as the population grew 123% to 100,467 according to the 2000 U.S. Census Bureau. The current population is estimated at 174,520, ranking the sixth ($6^{th)}$ fastest growing County in the United States and the twelfth (12^{th}) largest county in the State of Georgia in 2009.

Forsyth County operates under the commission/manager form of government. The Board of Commissioners is comprised of five members, each living in a specific district but elected by voters Countywide to serve four-year terms. Each year in January, the five members elect one of their own to serve as chairman for the coming year. Elections for the Board of Commissioners are staggered, so as to provide some continuity on the board.

A County Manager, appointed by the Board of Commissioners, serves as the administrative head of Forsyth County government. The County Manager provides direction to department heads and managers to implement policies set forth by the Board of Commissioners.

The citizens of Forsyth County also elect a number of other officials including: Sheriff, Clerk of Court, Tax Commissioner, Magistrate Court Judge, Probate Court Judge, Solicitor General, District Attorney, Superior Court Judges and State Court Judges.

The County provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events. Water and Sewer services are provided through a legally separate Water and Sewer Authority, which functions, in essence, as a fund of the county and therefore has been included as an integral part of the county's financial statements. The county also is financially accountable for a legally separate Health department and a legally separate Library, both of which are reported separately within the county's financial statements. Additional information on all three of these legally separate entities can be found in Note 1 in the notes of the financial statements.

The county maintains budgetary controls to ensure compliance with State Law. The level of budgetary control is established at the department level. Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds and

debt service fund. Project length budgets are adopted for the capital projects funds. Annual operating budgets are prepared for each enterprise and internal service fund for planning, control, and cost allocation and evaluation purposes. Budgetary amounts are not formally integrated into proprietary fund general ledgers.

Departments prepare revenue and expenditure estimates, which are reviewed by the Board of Commissioners in a hearing open to the public. The proposed budget is prepared for these reviews and then presented to interested citizens during a public hearing. The Board of Commissioners then adopts the final budget on or before December 31 at an official commission meeting.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Forsyth County is located in northeast Georgia in metropolitan Atlanta. The county is located along Georgia 400, about 40 miles from downtown Atlanta. It lies at the foot of the Blue Ridge Mountains. Lake Sidney Lanier is located at the eastern edge of the county. The lake provides recreational activities for approximately 7.6 million visitors annually, contributing greatly to the economic growth of the area. It is the most utilized water recreation area in the United States.

The County's only incorporated municipality is Cumming. The area is recognized for its moderate climate, attractive environment, recreational facilities and skilled labor pool. Although Forsyth County's economy once largely centered on the poultry industry, these factors have helped the county attract growth from companies in diverse industries, which has provided an expanded industrial base for the county and is an indication of continued growth.

Forsyth County residents earned an estimated personal income of $7.45 billion for 2009, making it one of the wealthiest counties in Georgia.

Due to its proximity to Atlanta, Forsyth County is continuing to experience growth:

- Agribusiness has always been the cornerstone of Forsyth's economy, helping make Georgia one of the leading poultry-producing states in the nation since 1957. But diversification has added significant retail, industrial and office growth in the last decade.
- In 2009, Forsyth County was home to 52 bank offices with $2.5 billion in deposits.
- The Forsyth County school system operates 29 schools within the county. Lanier Technical College operates a modern facility in the county, offering career-technical education programs.

MAJOR INITIATIVES & ACCOMPLISHMENTS

Forsyth County government is committed to ensuring that County residents have adequate infrastructure. In 2009, Forsyth County made major improvements to its infrastructure including:

- 500 acres of land were acquired to serve as green space using funds from the Parks, Recreation and Green Space Bond.
- Artificial turf fields were installed at Midway, Bennett, and Sharon Springs Parks using funds from the Parks, Recreation and Green Space bond.
- Construction was completed in December 2009, for the 1.1 mile extension of Ronald Regan Blvd. from McGinnis Ferry Road/Union Hill Road to McFarland Parkway, using funds from SPLOST VI. The four-lane, median-divided roadway includes a five-foot sidewalk as well as a ten-foot wide multi-use trail running the entire distance from McGinnis Ferry Road to McFarland Parkway.

Improved Service Delivery: In 2009, Forsyth County took these steps to improve the delivery of its services:

- Construction for Phase I – III of the Big Creek Greenway was completed in September 2009, providing a 6.8 mile multi-purpose trail for walking, jogging, biking and inline skating. Phase I was funded by state and federal funds. Phases II and III were funded by Impact Fees.
- Construction for Hampton Park Library continued throughout 2009. This will be the county's third public library branch. It is being funded by SPLOST V, impact fees and a grant from the Georgia Public Library Service. Construction is scheduled for completion by February 2010.
- The Insurance Services Office examined the county's ability to serve the public through three key areas of public safety: fire protection, E-911 service and water services. The county's rating was reduced from a 6/9 to a 5. This rate reduction will provide potential insurance savings for residents and businesses within the county.

FINANCIAL INFORMATION

In 2008, Forsyth County started several initiatives to improve its financial position. Finance staff prepared a budget manual to assist departments with budget requests and improve the budget process. A budget calendar was established to facilitate the process as well as a budget workshop and training. The Board of Commissioners approved expenditures for an Assessment of Internal controls with an outside vendor. The assessment began in 2008 and concluded with a presentation to the Board of Commissioners June 2009. Finally, the Board of Commissioners contracted with the Carl Vinson Institute of Government to conduct a staffing and utilization study. Once the study was complete, in May of 2009, the project manager scheduled meetings with the Board of Commissioners and staff to provide an in-depth discussion of the study.

Along with initiatives to improve efficiencies and eliminate unnecessary costs, staff presented quarterly financial reports for the Board of Commissioners. The mid-year presentation addressed issues of significant downturns in sales tax revenues, development fees and investment income. Finance staff advised the Board of Commissioners to expect a budget shortfall if changes were not implemented. In an effort to prepare for the shortfall, a 5% expenditure reduction was applied to all General Fund departments. Forsyth County also experienced a decrease in workforce and implemented 5 unpaid holidays countywide for 2009. At mid- year, economic forecasts continued to provide unstable indicators of the future.

Following the mid-year review, the Board of Commissioners approved a resolution in November 2009 to reduce the 2009 adopted budget from $84.1 million to $77.9 million, a reduction of $6.2 million. During the audit process, the desire to improve Forsyth County's financial position continued with the decision to eliminate several internal service funds with existing negative fund balances. These activities will be recorded in the General Fund effective 2010.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Forsyth County for comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the ninth consecutive year 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 CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation, design and publication of this Comprehensive Annual Financial Report represent a significant effort by the Department of Finance in conjunction with the accounting firm of Mauldin & Jenkins, LLC. Sincere appreciation also goes to the various county department directors for their assistance and positive attitude throughout the year in matters pertaining to the financial affairs of the county. Finally, we thank the Board of Commissioners for their support and direction in conducting the financial affairs of the county in a responsible manner.

Respectfully submitted,



Doug Derrer
County Manager



Jamie Payne
Interim Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Forsyth County Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.





President



Executive Director

FORSYTHCOUNTY Officials

FORSYTHCOUNTY 2009 Board of Commissioners



Charles Laughinghouse
Chairman
District One



Brian R. Tam
Member
District Two



Jim Harrell
Vice Chairman
District Three



Patrick B. Bell
Secretary
District Four



Jim Boff
Member
District Five

FORSYTHCOUNTY Administration



Doug Derrer
County Manager



Tim Merritt
Deputy County Manager (2010)



William J. Thomas
Chief Financial Officer (2009)

FORSYTHCOUNTY Officials

FORSYTHCOUNTY Judicial and Other Elected Officials

Leslie Abernathy
Solicitor General

Greg Allen
Clerk of Court

Jeffrey S. Bagley
Superior Court Chief Judge

Walker H. Bramblett
Magistrate Court Judge

David L. Dickinson
Superior Court Judge

J. Russell Jackson
Juvenile Court Judge

Lynwood D. Jordan Jr.
Probate Court Judge

Matthew Ledbetter
Tax Commissioner

T. Russell McClelland
State Court Judge

Lauren McDonald
Coroner

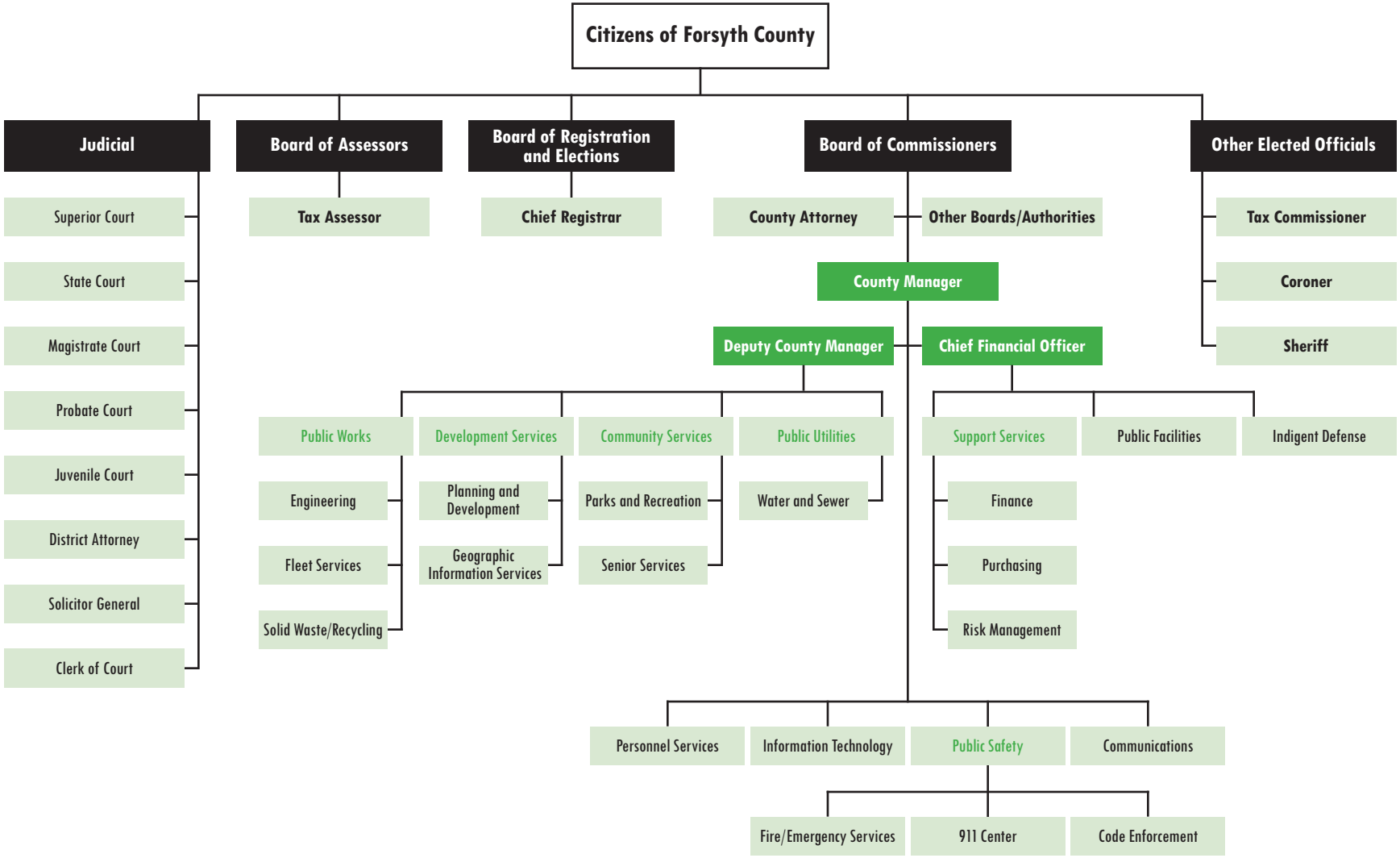
Ted Paxton
Sheriff

Penny Penn
District Attorney

Philip C. Smith
State Court Chief Judge

FORSYTHCOUNTY Department Heads

Danny Bowman	Fire and Emergency Management
Connie Brooker	Indigent Defense
Pat Carson	Personnel Services
Jeff Chance	Planning and Development (2009)
Charity Clark	Risk Management
Brian Converse (Interim)	Information Technology
John Cunard	Engineering
Jodi Gardner	Communications
Pat Giordano	911 Center
Avery Gravitt	Fleet Maintenance
Cherrita Griswold	Finance (2009)
Shelley Johnson	Senior Services
John Kilgore	Geographic Information Services
Jerry Kinsey	Parks and Recreation
Mary Kirkpatrick	Tax Assessors
Donna Kukarola	Purchasing
Barbara Luth	Voter Registration and Elections
Jon McDaniel	Library
Jamie Payne (Interim)	Finance (2010)
Tim Perkins	Water and Sewer
John-David Rusk	Information Technology (2009)
David Thornton	Public Facilities
Tammy Wright	Keep Forsyth County Beautiful, Solid Waste
Steve Zaring	Code Enforcement



FORSYTHCOUNTY Organizational Chart

Financial Section

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

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 **Forsyth County, Georgia** (the "County"), as of and for the year ended December 31, 2009, which collectively comprise Forsyth County, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forsyth County Health Department, which represents 16 percent, 17 percent, and 15 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Forsyth County Health Department, is based on the report 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report 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 Forsyth County, Georgia as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2010, on our consideration of Forsyth 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 14) and the budgetary comparison information and schedules of funding progress (on pages 66 through 69) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Forsyth County, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, 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 schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, are also presented for purposes of additional analysis and are also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 10, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

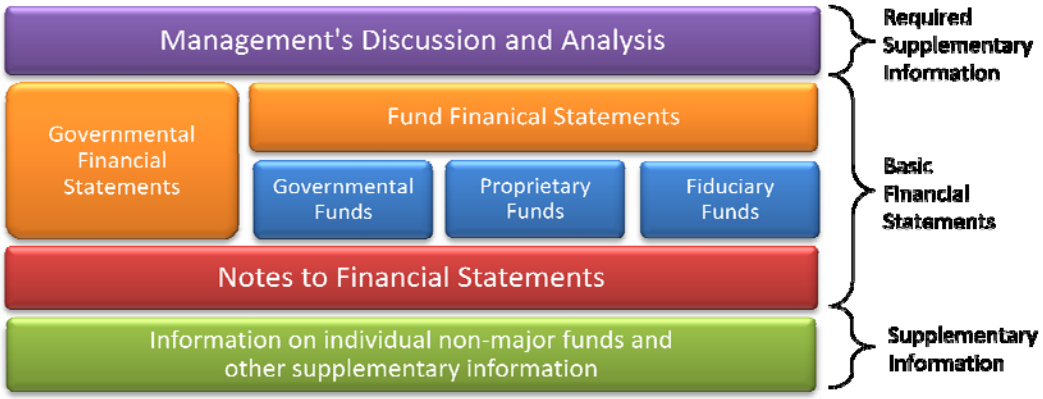
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the transmittal letter and the County's financial statements.

FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets exceed liabilities by $1.06 billion (net assets) at December 31, 2009. Of this amount $776.80 million is governmental activities and $285.47 million is business-type activities.
- The combined revenue total for the County is $185.90 million, an 18.40% decrease from 2008. Of the combined total governmental activities is at $149.84 million and business-type activities is $36.06 million.
- The combined expense total for the County is $169.26 million, a 9.09% decrease from 2008. Of the combined total governmental activities is at $136.14 million and business-type activities is $33.12 million.
- At December 31, 2009, the County's governmental funds reported combined ending fund balance is $131.44 million, a decrease of $23.13 million (15.2%) from the 2008 restated fund balance. The unreserved, undesignated fund balance for all governmental funds is $2.35 million, $8.3 million for designated, and $120.79 million for reserved fund balance.
- The County's total bonded debt decreased by $5.5 million (1.72%) from fiscal year 2008, primarily due to debt reductions via scheduled payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



Government-wide Financial Statements. The government-wide financial statements, provide a broad overview of Forsyth County finances in a manner similar to that of private-sector businesses. The statements include:

- *Statement of net assets* presents the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the change in net assets is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.
- *Statement of activities* presents the revenues and expenses of the County. The difference between these is the change in net assets for the year.

Both of the government-wide financial statements identify the various functions of Forsyth County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Forsyth County, Georgia include general government, culture and recreation, judicial, public works, health and welfare, housing and development, and public safety. The business-type activities of Forsyth County, Georgia include the Water and Sewer Authority and Solid Waste operation.

The government-wide financial statements include not only Forsyth County, Georgia itself (known as the primary government), but also a legally separate Health Department and Library for which Forsyth County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself. The Water and Sewer Authority, although also legally separate functions for all practicable purposes as a department of Forsyth County, Georgia, and therefore has been included as an integral part of the primary government.

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. The 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 the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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.

At December 31, 2009, the County maintains eighteen 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, debt service fund, fire fund, SPLOST, impact fees, and capital projects fund, all of which are considered to be major funds. Data from the other twelve 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.

The County adopts an annual appropriated budget for its general fund, special revenue funds, and debt service funds. Project length budgets are adopted for capital project funds. Annual operating budgets are prepared for each enterprise and internal service fund for planning control and cost allocation. A budgetary comparison schedule has been provided for the general fund, special revenue funds, and debt service funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-19 of this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer Authority and Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for risk management, workers' compensation, administrative services, information technology, telecommunications, GIS systems, fleet maintenance, and building occupancy. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Authority and for the Solid Waste operation. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Forsyth County maintains six fiduciary funds called *agency funds* for Tax Commissioner, Sheriff, Clerk of Court, Probate Court, Magistrate Court, and Juvenile Court. The County also maintains the Pension Trust Fund fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 23 and 24 of this report.

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 can be found on pages 25-65 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension and other post-employment benefits to its employees, and employer pension contributions. Required supplementary information can be found on pages 66-69 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Forsyth County, Georgia, assets exceeded liabilities by $1.06 billion at the close of the most recent fiscal year. This is a slight increase of $178,000 or .02% from fiscal year 2008.

Forsyth County, Georgia's Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	$ 207,733	$ 226,720	$ 98,849	$ 114,110	$ 306,582	$ 340,830
Capital assets	801,178	764,670	378,369	374,963	1,179,547	1,139,633
Total assets	1,008,911	991,390	477,218	489,073	1,486,129	1,480,463
Liabilities						
Other liabilities	84,627	65,482	30,435	23,366	115,062	88,848
Long-term liabilites	147,501	160,920	161,310	168,754	308,811	329,674
Total assets	232,128	226,402	191,745	192,120	423,873	418,522
Net assets						
Invested in capital assets, net of related debt	693,335	699,078	236,145	236,780	929,480	935,858
Restricted	55,132	41,998	4,075	2,418	59,207	44,416
Unrestricted	28,316	23,912	45,253	57,755	73,569	81,667
Total net assets	$ 776,783	$ 764,988	$ 285,473	$ 296,953	$ 1,062,256	$ 1,061,941

The largest component of the County's net assets, $929.48 million (87.5%) at December 31, 2009, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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 are not planned to be used to liquidate these liabilities.

The next component of the County's net assets consists of restricted net assets, $59.21 million (5.57%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net assets, $73.57 million (6.93%), may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Forsyth County's net assets in governmental activities increased by $13.70 million (1.8%), due to revenue exceeding the amount required for debt service payments. Net assets in business-type activities increased by $2.93 million (1.04%). The county's overall net assets increased by $16.64 million. This is an indication that the County's financial position has remained constant since 2008.

Changes in Net Assets. Governmental and business-type activities increased the County's net assets by $16.64 million by the end December 31, 2009.

The following table gives a comparison for the changes in net assets in governmental and business type activities for fiscal year 2008 and 2009.

Forsyth County, Georgia's Change in Net Assets
(in thousands)

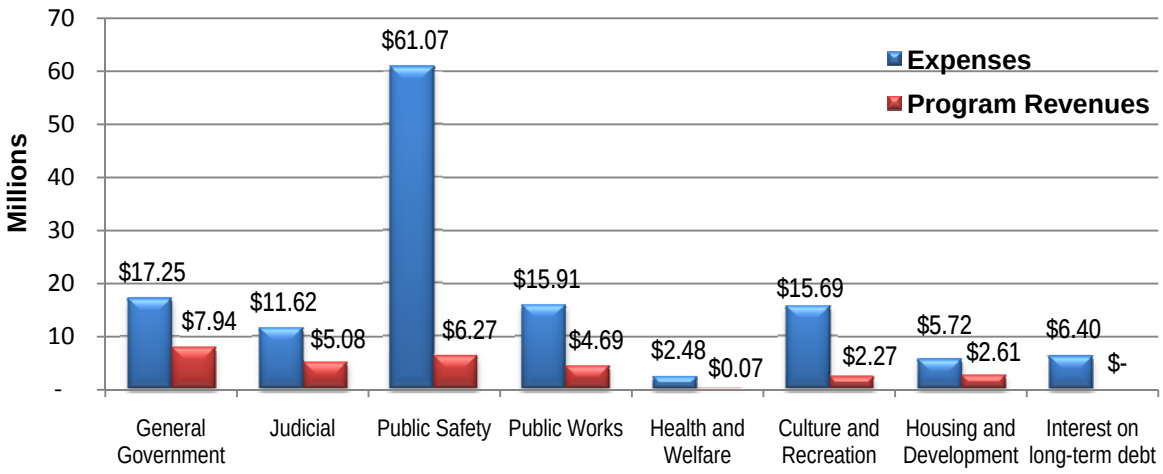
	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	$ 21,874	$ 24,567	$ 29,900	$ 21,079	$ 51,774	$ 45,646
Operating grants & contributions	3,084	1,784	-	12	3,084	1,796
Capital grants & contributions	3,967	43,006	5,565	15,548	9,532	58,554
General revenues:						
Property taxes	63,209	49,433	-	-	63,209	49,433
Sales taxes	46,539	54,334	-	-	46,539	54,334
Insurance premium tax	4,616	4,683	-	-	4,616	4,683
Other taxes	2,810	4,983	-	-	2,810	4,983
Investment earnings	1,069	2,684	594	3,460	1,663	6,144
Intergovernmental revenue, not restricted for specific programs	-	1,667	-	-	-	1,667
Other revenue	2,673	103	-	-	2,673	103
Total revenues	149,841	187,244	36,059	40,099	185,900	227,343
Expenses						
General government	17,246	29,262	-	-	17,246	29,262
Judicial	11,618	11,679	-	-	11,618	11,679
Public safety	61,072	62,991	-	-	61,072	62,991
Public works	15,913	16,198	-	-	15,913	16,198
Health and welfare	2,483	3,059	-	-	2,483	3,059
Culture and recreation	15,689	13,568	-	-	15,689	13,568
Housing and development	5,717	7,168	-	-	5,717	7,168
Interest on long-term debt	6,400	2,043	-	-	6,400	2,043
Water and sewer	-	-	32,521	38,322	32,521	38,322
Solid Waste	-	-	599	985	599	985
Total expenses	136,138	145,968	33,120	39,307	169,258	185,275
Change in net assets	13,703	41,276	2,939	792	16,642	42,068
Net assets, beginning of year	764,988	725,105	296,953	296,161	1,061,941	1,021,266
Prior period adjustments	(1,908)	(1,393)	(14,419)	-	(16,327)	(1,393)
Net assets, end of year	$ 776,783	$ 764,988	$ 285,473	$ 296,953	$ 1,062,256	$ 1,061,941

Governmental Activities. Governmental activities increased the County's net assets by $13.70 million thereby accounting for 82.35% of the total growth in net assets. Key elements of this increase are as follows:

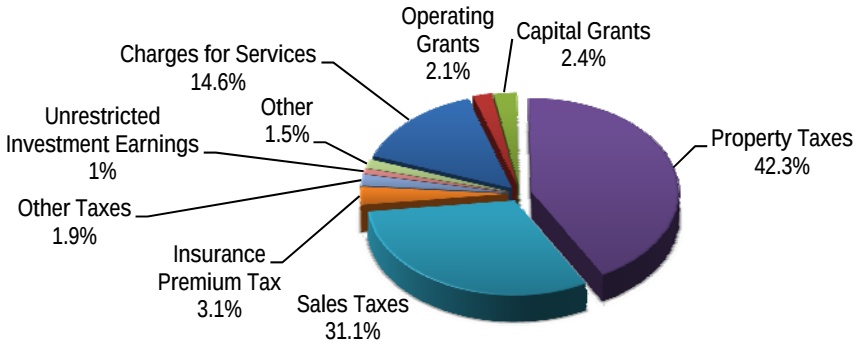
- The County's governmental activities relied on the following revenue sources in 2009: $21.87 million in charges for services, $7.05 million for grants and contributions, $117.17 million in taxes, $1.1 million in investment earning and $2.67 million in other revenue. Total program and general revenue for 2009 is $149.84 million.
- Total revenues for governmental activities decreased by $37.40 million or 20.18% from fiscal year 2008. Property taxes totaling $63.21 million is the largest revenue source for the county. Operating grants and contributions increased slightly by $1.3 million, while capital grants and contributions decreased significantly by $39.64 million due to a substantial decrease in donated assets. These assets are generally developer donations. Sales tax revenues also decreased by $7.8 million due to less sales activity during the current economic downturn.
- Expenses for 2009 decreased by $9.83 million or 7% from 2008. Governmental activities expenses decreased primarily due to inmate housing improvements where a third bunk (triple bunking) was added to every cell providing a decrease in costs to out of county housing arrangements, layoffs throughout the County, as well as a salary cost savings by implementing 5 unpaid holidays to all County full time employees.

The charts below illustrate expenses vs. program revenues by category and the distribution of revenues for governmental activities.

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES

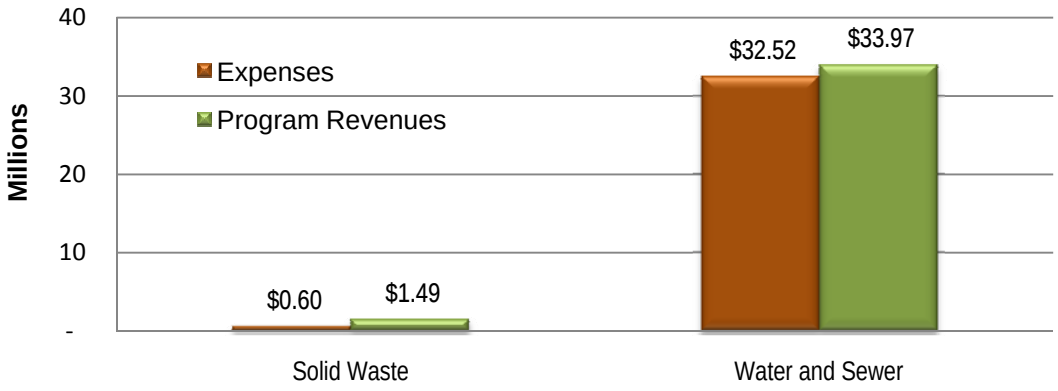


Business-type activities. Business-type activities increased the County's net assets by $2.94 million, accounting for 17.65% of the total growth in net assets. Key elements of this increase are as follows:

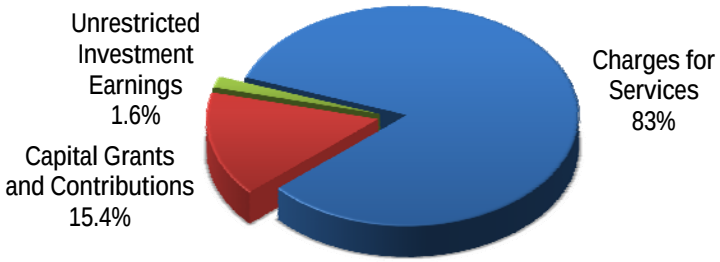
- Charges for services increased by $8.82 million (42%), due to a moderate rate increase in February 2009, the drought level 4 water restrictions removed in June 2009, and the lawsuit settlement concerning Ronald Reagan Blvd.
- Water and sewer expenses decreased by $5.8 million.
- Solid waste expenses decreased by $.39 million.
- Overall business-type activities expenses totaled $33.12 million, representing a decrease of $6.19 million or 15.74% from 2008. Expenses decreased primarily due to a salary cost savings implemented county-wide for 5 unpaid holidays, slow development activity, and county wide efforts to reduce government spending.

The charts below illustrate expenses vs. program revenues by category and the distribution of revenues for business-type activities.

EXPENSES AND PROGRAM REVENUES - BUSINESS-TYPE ACTIVITES



REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the 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 and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

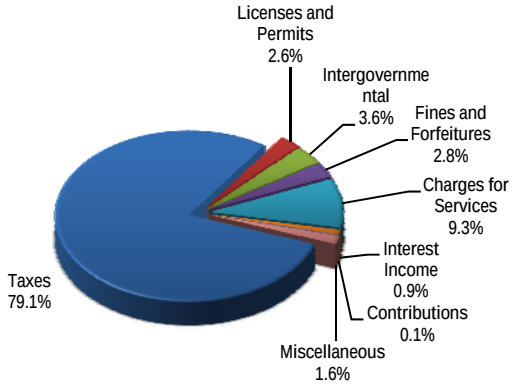
Governmental Funds - Changes to Fund Balances
(in thousands)

	2009	2008	Inc/(Dec)	% Inc/(Dec)
General Fund	$ 14,736	$ 15,554	$ (818)	(5.26) %
Fire District	440	-600	1,040	(173.33)
Debt Service	23,355	8406	14,949	177.84
SPLOST	40,077	50,913	(10,836)	(21.28)
Capital Projects	38,515	65,676	(27,161)	(41.36)
Impact Fees	11,959	12,343	(384)	(3.11)
Nonmajor governmental funds	2,360	2,280	80	3.51
Total	$ 131,442	$ 154,572	$ (23,130)	(14.96) %

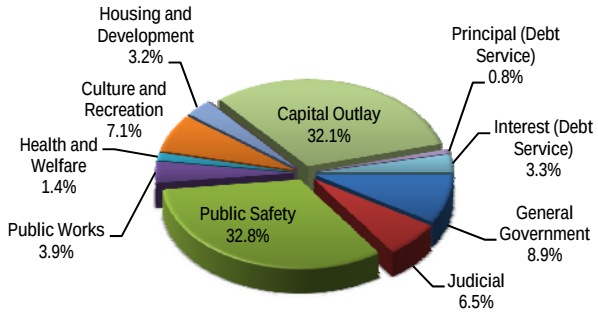
At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $131.44 million, a decrease of $23.13 million in comparison with the restated fund balance for 2008. Approximately 1.79% of this total amount, $2.35 million, constitutes unreserved, undesignated fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has been restricted by state law for specific projects, to liquidate contracts and purchase orders of the prior period, to pay debt service, and for a variety of other restricted purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance was $14.74 million, which represents 17.47% of total general fund expenditures. The fund balance decreased by $818 thousand during the current fiscal year. This decrease is primarily due to lower revenues, particularly sales taxes and interest revenue, which have declined as a result of the recent economic conditions. In the prior year, net assets decreased by approximately $6.5 million resulting from transfers out of $5.5 million for capital projects. In the current year, General Fund money was not used to fund capital projects in an effort to control spending during the economic downturn.

REVENUES BY FUNCTION - GOVERNMENTAL FUNDS



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The County's fire district fund balance increased by $1.04 million during the current fiscal year. Revenues increased by $1.17 million from 2008. This increase is due to a Fire District millage rate increase of from 1.765 mills to 1.841 mills in January 2009.

The fund balance of the County's debt service fund increased by $14.95 million during the current fiscal year. This increase is due to the special levied property tax exceeding the annual debt service payment required for this fund. The debt service fund has an ending fund balance of $23.36 million to be used for SPLOST bond payments, principal and interest payments for general obligation debt.

The fund balance of the County's SPLOST fund decreased by $10.84 million during the current fiscal year. This is primarily due to the transfer of $10 million to the debt service fund for debt service payments.

The fund balance of the County's Impact fees fund decreased by $384 thousand during the current fiscal year. The County collected $1.04 million in impact fees during 2009 and spent $1.42 on qualified impact fee projects. The remaining fund balance of $12 million will be spent in future years for qualified impact fee projects.

The fund balance of the County's capital projects fund decreased by $27 million during the current fiscal year. The capital projects fund has an ending fund balance of $38.52 million. The decrease is due to $29 million spent on various capital projects. This fund had no significant revenue or transfers from the General Fund in 2009.

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

Total operating revenues for the Water and Sewer Authority was $28.41 million, an increase of $8.26 million from 2008. This is primarily due to a moderate rate increase and water restrictions removed for water and sewer customers. The department's water customer count grew by 591 new connections to a year-end total of 43,908 and sewer customer count decreased by 205 to a year-end total of 15,029. Total operating expenses were $27.74 million, a decrease of $2.81 million from 2008.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2009 is $1.18 billion, net of $221.30 million in accumulated depreciation. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide additions in 2009 are $66.7 million with $54.6 million in government-type activities and $12.1 million in business-type activities.

Forsyth County, Georgia's Capital Assets (net of depreciation)
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land and improvements	$ 378,880	$ 354,229	$ 28,729	$ 28,642	$ 407,609	$ 382,871
Infrastructure land improvements	146,997	144,668	-	-	146,997	144,668
Construction in progress	53,921	41490	11,581	10,057	65,502	51,547
Buildings and improvements	63,123	65,109	5,522	5,672	68,645	70,781
Machinery and equipment	17,659	20,426	2,835	2,952	20,494	23,378
Vehicles	9,456	11,451	540	676	9,996	12,127
Infrastructure	131,142	127,297	329,162	326,102	460,304	453,399
Total	$ 801,178	$ 764,670	$ 378,369	$ 374,101	$ 1,179,547	$ 1,138,771

Major capital asset activities in the current fiscal year include the following:

- Installation of a 5 million gallon water tank at Fowler Park at $1.83 million; available for use on July 17, 2009.
- Completion of Phases I – III of the Big Creek Greenway at $2.18 million; available for use in September, 2009.
- 1.1 mile extension of Ronald Reagan Blvd. from McGinnis Ferry Road/Union Hill Road to McFarland Pkwy completed in December 2009 at $9.81 million.
- Completion of Windermere Plant upgrades at $1.68 million; available for use on June 30, 2009.

Additional information on the County's capital assets can be found in Note 6.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $311.48 million. Of this amount $148.8 million consists of general obligation bonds backed by the full faith and credit of the government and $162.68 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $5.45 million primarily due to debt reductions via scheduled payments on our existing Series 2000 general obligation bonds. The County's final payment for the Series 2000 general obligation bonds is scheduled for 2010.

The County maintains an exceptionally positive credit rating in the current fiscal year with Moody's (Aa1) and Standard & Poor's (AA+) for the Water and Sewer Revenue Bonds and the General Obligation (GO) bonds.

Additional information on the County's long-term debt can be found in note 8.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget, the final budget and actual results for the County's general fund by category are shown below and on pages 66 and 67.

General Fund
For the year ended December 31, 2009

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General government	$ 11,283,881	$ 9,316,559	$ 11,001,838	$ (1,685,279)
Judicial	9,964,103	9,931,118	10,623,438	(692,320)
Public safety	33,288,461	32596145	36,914,971	(4,318,826)
Public works	7,089,845	6,711,437	6,497,236	214,201
Health and welfare	2,348,948	2,226,233	2,409,896	(183,663)
Culture and recreation	11,768,035	11,145,245	11,829,266	(684,021)
Housing and development	4,900,064	4,600,813	5,071,039	(470,226)
Total expenditures	$ 80,643,337	$ 76,527,550	$ 84,347,684	$ (7,820,134)

Note: Transfers to other funds are not included in the amounts above.

During the current fiscal year the County made several budget adjustments to the general fund that are reflected in the final budget. Projected revenues of $84.13 million in the original budget decreased to $77.95 million at year end, due to an expected decrease in revenues caused by the continued recession experienced nation-wide. Total revenues ended at $82.98 million, $5.03 million above the final budget. The original adopted expenditure budget of $80.6 million plus $3.5 in other financing sources to assist funding in other county funds, was amended to $76.5 million, in order to compensate for the expected decrease in revenues. Significant expenditure budget amendments are summarized below:

- General Government decreased by $1.9 million where contingency was reduced to its minimum requirements under the County's financial policy.
- All county departments and offices were requested to review and decrease their budgets by year end in order to compensate for the short coming of revenues.

However, by year end actual expenditures for the general fund increased to $84.35 million, $7.82 million over the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $1.7 million over final budget due to a $1 million Board of Commissioner approved reimbursement of engineering fees for a development project.
- Public Safety $4.3 million over final budget due to over-expenditure in several departments.
- Many departments and offices encountered notable unexpected and non-budgeted items.

Forsyth County's general fund 2010 adopted budget is $79 million, a decrease of 6.1% from the 2009 budget.

ECONOMIC FACTORS AND THE 2010 BUDGET

Forsyth County's 2010 budget is a reflection of the financial position of the County in 2009. During 2009, the County experienced a decline in revenues and decreased the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 7.9%, a 64.5% increase from 2008. Although this is extremely high it compares favorably to the State of Georgia's unemployment rate at 9.6%, and the national unemployment rate of 9.3% at the end of 2009.
- LOST and SPLOST revenues decreased by $9.2 million, a 16.92% decrease from fiscal year 2008. A decrease is also projected for the 2010 Budget. The County continues to monitor collections on a monthly basis.
- The County's 2009 maintenance and operations millage rate remained at 3.84 mills. Therefore, various measures were taken in order to create a balanced budget for 2010 budget.
- Forsyth County implemented a number of cost-saving measures to compensate for the decrease in revenue from property taxes, sales taxes and other revenues. Of these cost saving measures included a decrease of 7.8% in the County's workforce, various decreases to the County's cost of employee health care by increasing the employee's cost including deductible and co-pays, across the board employer contributions decreased from 5% to 2%, and implementing 7 unpaid holidays. Several departments and offices throughout the county reduced their budgets, accordingly.

All of these factors were taken into consideration and implemented when preparing the County's budget for fiscal year 2010.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Forsyth County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County's Finance Department at 110 E Main St. Suite 255, Cumming, GA 30040.

Basic Financial Statements

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Primary Government			Component Units	
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Health Department**	**Library System**
Cash and cash equivalents	$ 71,238,365	$ 31,824,784	$ 103,063,149	$ 1,344,154	$ 1,669,437
Investments	37,865,794	31,554,036	69,419,830	-	-
Receivables (net of allowance for uncollectibles)	2,120,786	3,632,780	5,753,566	24,323	43,697
Taxes receivable	5,865,250	-	5,865,250	-	-
Intergovernmental receivables	7,769,739	-	7,769,739	-	500,404
Prepaid items	327,634	-	327,634	-	71,991
Inventories	737,386	197,240	934,626	-	-
Internal balances	(175,105)	175,105	-	-	-
Deferred charges, unamortized balance	971,395	1,805,683	2,777,078	-	-
Net pension asset	2,071,903	-	2,071,903	-	-
Restricted assets:					
Restricted cash and cash equivalents	43,363,384	24,530,587	67,893,971	-	-
Investments	35,576,275	-	35,576,275	-	-
Prepaid sewer capacity	-	5,128,407	5,128,407	-	-
Capital assets, nondepreciable	579,797,416	40,309,996	620,107,412	-	3,562,581
Capital assets, depreciable, net of accumulated depreciation	221,380,636	338,058,722	559,439,358	12,554	1,507,211
Total assets	1,008,910,858	477,217,340	1,486,128,198	1,381,031	7,355,321
LIABILITIES					
Accounts payable	4,825,154	2,006,546	6,831,700	2,788	663,874
Accrued liabilities	5,189,634	1,915,451	7,105,085	-	143,351
Customer deposits payable	-	2,357,750	2,357,750	-	-
Unearned revenue	57,810,584	20,369,053	78,179,637	-	-
Noncurrent liabilities due within one year					
Capital lease payable	-	-	-	-	896
Compensated absences payable	5,557,072	389,911	5,946,983	56,000	95,330
Claims payable	1,174,320	-	1,174,320	-	-
Landfill closure and postclosure	-	101,047	101,047	-	-
Bonds payable	10,070,000	3,295,000	13,365,000	-	-
Noncurrent liabilities due in more than one year					
Capital lease payable	-	-	-	-	5,210
Compensated absences payable	-	5,792	5,792	20,193	142,995
Claims payable	795,680	-	795,680	-	-
Net OPEB obligation	200,180	-	200,180	-	-
Landfill closure and postclosure	-	1,919,899	1,919,899	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-
Bonds payable	138,728,082	159,384,273	298,112,355	-	-
Total liabilities	232,127,706	191,744,722	423,872,428	78,981	1,051,656
NET ASSETS					
Invested in capital assets, net of related debt	693,335,447	236,145,264	929,480,711	12,554	5,063,686
Restricted for:					
Debt service	23,355,047	4,074,768	27,429,815	-	-
Capital projects	31,777,118	-	31,777,118	732,141	435,698
Unrestricted	28,315,540	45,252,586	73,568,126	557,355	804,281
Total net assets	$ 776,783,152	$ 285,472,618	$ 1,062,255,770	$ 1,302,050	$ 6,303,665

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 17,245,818	$ 6,472,146	$ 1,272,861	$ 193,924
Judicial	11,617,946	4,553,241	524,476	-
Public safety	61,072,172	5,194,161	854,921	216,058
Public works	15,912,769	1,132,375	-	3,557,355
Health and welfare	2,483,417	66,405	4,196	-
Cuture and recreation	15,689,402	1,867,778	407,114	-
Housing and development	5,716,616	2,588,255	20,000	-
Interest on long-term debt	6,400,477	-	-	-
Total governmental activities	136,138,617	21,874,361	3,083,568	3,967,337
Business-type activities:				
Water and sewer	32,520,895	28,407,703	-	5,564,859
Solid waste	599,311	1,492,146	-	-
Total business-type activities	33,120,206	29,899,849	-	5,564,859
Total primary government	$ 169,258,823	$ 51,774,210	$ 3,083,568	$ 9,532,196
Component units:				
Health Department	$ 1,350,391	$ 804,887	$ 562,833	$ -
Library System	4,818,027	154,749	363,603	3,035,817
Total component units	$ 6,168,418	$ 959,636	$ 926,436	$ 3,035,817
General revenues:				
Property taxes				
Sales and use taxes				
Insurance premium taxes				
Business taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Intergovernmental revenue, not restricted for specific programs				
Miscellaneous				
Total general revenues				
Change in net assets				
Net assets, beginning of year, restated				
Net assets, end of year				

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Health Department	Library System
$ (9,306,887)	$ -	$ (9,306,887)		$ -	$ -
(6,540,229)	-	(6,540,229)		-	-
(54,807,032)	-	(54,807,032)		-	-
(11,223,039)	-	(11,223,039)		-	-
(2,412,816)	-	(2,412,816)		-	-
(13,414,510)	-	(13,414,510)		-	-
(3,108,361)	-	(3,108,361)		-	-
(6,400,477)	-	(6,400,477)		-	-
(107,213,351)	-	(107,213,351)		-	-
-	1,451,667	1,451,667			
-	892,835	892,835		-	-
-	2,344,502	2,344,502		-	-
$ (107,213,351)	$ 2,344,502	$ (104,868,849)		$ -	$ -
$ -	$ -	$ -		$ 17,329	$ -
-	-	-		-	(1,263,858)
$ -	$ -	$ -		$ 17,329	$ (1,263,858)
$ 63,208,774	$ -	$ 63,208,774		$ -	$ -
46,538,919	-	46,538,919		-	-
4,616,048	-	4,616,048		-	-
1,181,571	-	1,181,571		-	-
1,628,716	-	1,628,716		-	-
1,068,929	594,253	1,663,182		-	8,214
-	-	-		-	4,290,076
2,673,294	-	2,673,294		-	-
120,916,251	594,253	121,510,504		-	4,298,290
13,702,900	2,938,755	16,641,655		17,329	3,034,432
763,080,252	282,533,863	1,045,614,115		1,284,721	3,269,233
$ 776,783,152	$ 285,472,618	$ 1,062,255,770		$ 1,302,050	$ 6,303,665

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

ASSETS	General	Fire District	Debt Service	SPLOST
Cash and cash equivalents	$ 15,314,611	$ 13,533,984	$ 24,316,099	$ 607,130
Investments	24,158,258	1,753,713	9,180,550	-
Receivables (net of allowance for uncollectibles)	1,550,338	18,380	-	-
Taxes receivable	3,273,446	1,556,048	1,035,756	-
Intergovernmental receivables	3,341,087	-	-	4,000,484
Due from other funds	4,516,652	-	-	-
Inventories	30,243	439,599	-	-
Prepaid items	4,774	-	-	-
Restricted assets:				
Cash	-	-	-	11,017,729
Investments	-	-	-	30,207,182
Advance to other funds	-	-	-	-
Total assets	$ 52,189,409	$ 17,301,724	$ 34,532,405	$ 45,832,525
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,115,309	$ 72,034	$ -	$ 2,849,505
Other accrued liabilities	1,930,583	-	-	751,056
Due to other funds	1,349,864	1,289,463	-	1,610,352
Advances from other funds	-	47,687	-	-
Deferred revenues	33,057,625	15,452,788	11,177,358	544,494
Total liabilities	37,453,381	16,861,972	11,177,358	5,755,407
FUND BALANCES				
Fund balances:				
Reserved for:				
Prepaid items	4,774	-	-	-
Inventories	30,243	439,599	-	-
Long term advances	-	-	-	-
Debt service	-	-	23,355,047	-
Encumbrances	493,822	3,267	-	-
Capital projects	-	-	-	31,777,118
Operating reserve	14,207,189	-	-	-
Designated:				
Repay General Fund	-	-	-	8,300,000
Unreserved, undesignated, reported in:				
Special revenue funds	-	(3,114)	-	-
Capital projects funds	-	-	-	-
Total fund balances	14,736,028	439,752	23,355,047	40,077,118
Total liabilities and fund balances	$ 52,189,409	$ 17,301,724	$ 34,532,405	$ 45,832,525

Amounts reported for governmental activities in the statement of net assets are different because:
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Internal service funds are used by the County to charge cost to other funds. The assets and liabilities are included in the government activities.
- Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
- Net pension asset that is not a financial resource used in governmental activities and therefore not reported in governmental funds.

Net assets of governmental activities

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

Capital Projects	Impact Fees	Nonmajor Governmental Funds	Total
$ 722,819	$ 11,990,741	$ 2,023,045	$ 68,508,429
162,665	-	-	35,255,186
1,776	-	507,387	2,077,881
-	-	-	5,865,250
428,168	-	-	7,769,739
-	-	-	4,516,652
-	-	-	469,842
-	-	-	4,774
32,345,655	-	-	43,363,384
5,369,093	-	-	35,576,275
223,105	-	-	223,105
$ 39,253,281	$ 11,990,741	$ 2,530,432	$ 203,630,517
$ 310,107	$ 31,912	$ 38,153	$ 4,417,020
-	-	22,584	2,704,223
-	-	99,762	4,349,441
-	-	-	47,687
428,168	-	9,607	60,670,040
738,275	31,912	170,106	72,188,411
-	-	-	4,774
-	-	-	469,842
223,105	-	-	223,105
-	-	-	23,355,047
-	-	5,827	502,916
38,291,901	11,958,829	-	82,027,848
-	-	-	14,207,189
-	-	-	8,300,000
-	-	1,937,960	1,934,846
-	-	416,539	416,539
38,515,006	11,958,829	2,360,326	131,442,106
$ 39,253,281	$ 11,990,741	$ 2,530,432	
			798,838,284
			5,285,628
			2,861,131
			(163,715,900)
			2,071,903
			$ 776,783,152

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Fire Distirct	Debt Service	SPLOST
Revenues:				
Taxes	$ 63,659,611	$ 15,591,964	$ 11,914,752	$ 25,046,130
Licenses and permits	3,783,396	-	-	-
Intergovernmental	2,589,456	578,313	-	1,854,796
Fines and forfeitures	2,656,501	-	-	-
Charges for services	9,101,010	-	-	-
Interest income	327,666	24,132	6,276	307,820
Contributions	122,463	7,150	-	-
Miscellaneous	737,234	130,395	-	514,221
Total revenues	82,977,337	16,331,954	11,921,028	27,722,967
Expenditures:				
Current:				
General government	11,001,838	-	347,712	1,083,312
Judicial	10,623,438	-	-	-
Public safety	36,914,971	14,271,515	-	-
Public works	6,497,236	-	-	-
Health and welfare	2,409,896	-	-	-
Culture and recreation	11,829,266	-	-	282
Housing and development	5,071,039	-	-	-
Capital outlay	-	-	-	27,023,991
Debt service:				
Principal	-	-	1,405,000	-
Interest	-	-	5,670,616	-
Total expenditures	84,347,684	14,271,515	7,423,328	28,107,585
Excess (deficiency) of revenues over expenditures	(1,370,347)	2,060,439	4,497,700	(384,618)
Other financing sources (uses):				
Proceeds from sale of assets	82,357	-	-	-
Transfers in	1,020,886	-	10,451,650	-
Transfers out	(550,483)	(1,020,886)	-	(10,451,650)
Total other financing sources (uses)	552,760	(1,020,886)	10,451,650	(10,451,650)
Net change in fund balances	(817,587)	1,039,553	14,949,350	(10,836,268)
Fund balances (deficit), beginning of year, restated	15,553,615	(599,801)	8,405,697	50,913,386
Fund balances, end of year	$ 14,736,028	$ 439,752	$ 23,355,047	$ 40,077,118

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

Capital Projects	Impact Fees	Nonmajor Governmental Funds	Total
$ -	$ -	$ 168,871	$ 116,381,328
-	-	-	3,783,396
-	-	225,656	5,248,221
-	-	1,432,150	4,088,651
-	1,034,987	3,615,132	13,751,129
705,973	3,988	894	1,376,749
-	-	10,305	139,918
1,311,596	-	49,848	2,743,294
2,017,569	1,038,975	5,502,856	147,512,686
2,578,017	116,381	89,030	15,216,290
-	-	483,476	11,106,914
-	-	4,816,452	56,002,938
118,280	-	-	6,615,516
-	-	-	2,409,896
265,562	-	-	12,095,110
-	62,116	344,539	5,477,694
26,462,764	1,244,417	-	54,731,172
-	-	-	1,405,000
-	-	-	5,670,616
29,424,623	1,422,914	5,733,497	170,731,146
(27,407,054)	(383,939)	(230,641)	(23,218,460)
-	-	6,500	88,857
245,572	-	304,911	12,023,019
-	-	-	(12,023,019)
245,572	-	311,411	88,857
(27,161,482)	(383,939)	80,770	(23,129,603)
65,676,488	12,342,768	2,279,556	154,571,709
$ 38,515,006	$ 11,958,829	$ 2,360,326	$ 131,442,106

FORSYTH 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 DECEMBER 31, 2009

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(23,129,603)
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.		36,119,027
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		740,103
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		973,885
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 assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,405,000
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.		(1,619,311)
Internal service funds are used by management to charge the costs of insurance plans, workers' compensation insurance, administrative costs, information technology costs, telecommunciations costs, GIS system costs, fleet maintenance costs and building and grounds maintenance costs to individual funds. The net revenue of the internal service funds is reported with governmental activities.		(786,201)
Change in net assets - governmental activities	$	13,702,900

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

DECEMBER 31, 2009

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 30,463,565	$ 1,361,219	$ 31,824,784	$ 2,729,936
Investments	31,554,036	-	31,554,036	2,610,608
Receivables (net of allowance for uncollectibles)	3,390,757	242,023	3,632,780	42,905
Due from other funds	-	-	-	1,860,560
Inventories	197,240	-	197,240	267,544
Prepaid items	-	-	-	322,860
Restricted assets:				
Cash	24,530,587	-	24,530,587	-
Total current assets	90,136,185	1,603,242	91,739,427	7,834,413
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	39,720,266	589,730	40,309,996	181,354
Capital assets, being depreciated	399,367,039	1,725,318	401,092,357	5,189,825
Less accumulated depreciation	(62,319,811)	(713,824)	(63,033,635)	(3,031,411)
Total capital assets, net of accumulated depreciation	376,767,494	1,601,224	378,368,718	2,339,768
Deferred charges	1,805,683	-	1,805,683	-
Prepaid sewer capacity	5,128,407	-	5,128,407	-
Total noncurrent assets	383,701,584	1,601,224	385,302,808	2,339,768
Total assets	473,837,769	3,204,466	477,042,235	10,174,181
LIABILITIES				
Current liabilities:				
Accounts payable	1,972,269	34,277	2,006,546	408,134
Accrued expenses	1,915,451	-	1,915,451	130,450
Customer deposits payable	2,357,750	-	2,357,750	-
Due to other funds	154,980	12,231	167,211	1,860,560
Unearned revenue	20,369,053	-	20,369,053	1,675
Claims payable	-	-	-	1,174,320
Compensated absences, current	380,486	9,425	389,911	-
Landfill postclosure, current	-	101,047	101,047	-
Revenue bonds payable, current	3,295,000	-	3,295,000	-
Total current liabilities	30,444,989	156,980	30,601,969	3,575,139
Long-term liabilities:				
Advance from other funds	-	99,469	99,469	75,949
Claims payable	-	-	-	795,680
Compensated absences	-	5,792	5,792	-
Landfill postclosure	-	1,919,899	1,919,899	-
Revenue bonds payable	159,384,273	-	159,384,273	-
Total long-term liabilities	159,384,273	2,025,160	161,409,433	871,629
Total liabilities	189,829,262	2,182,140	192,011,402	4,446,768
NET ASSETS				
Invested in capital assets, net of related debt	234,544,040	1,601,224	236,145,264	2,339,768
Restricted for debt service	4,074,768	-	4,074,768	-
Unrestricted	45,389,699	(578,898)	44,810,801	3,387,645
Total net assets	$ 284,008,507	$ 1,022,326	285,030,833	$ 5,727,413
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			441,785	
Net assets of business-type activities			$ 285,472,618	

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 17,659,973	$ -	$ 17,659,973	$ -
Sewer sales	8,051,137	-	8,051,137	-
Other	232,385	623,357	855,742	14,343,249
Recycling and transfer fees	-	868,789	868,789	-
Insurance recoveries	-	-	-	182,805
Other operating income	2,464,208	-	2,464,208	333,587
Total operating revenues	28,407,703	1,492,146	29,899,849	14,859,641
OPERATING EXPENSES				
Salaries and benefits	5,435,129	345,570	5,780,699	7,186,595
Supplies and maintenance	8,041,045	148,084	8,189,129	5,813,486
Claims	-	-	-	949,699
Insurance premiums	-	-	-	1,062,380
General and administrative	-	-	-	3,951
Depreciation and amortization expense	7,409,981	58,232	7,468,213	655,432
Landfill postclosure	-	47,425	47,425	-
Water purchases	4,167,373	-	4,167,373	-
Sewer flow costs	2,686,555	-	2,686,555	-
Total operating expenses	27,740,083	599,311	28,339,394	15,671,543
Operating income (loss)	667,620	892,835	1,560,455	(811,902)
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	590,574	3,679	594,253	32,042
Interest expense	(4,715,100)	-	(4,715,100)	-
Loss on disposal of capital assets	-	-	-	(75,553)
Intergovernmental	-	-	-	3,500
Total nonoperating revenues (expenses)	(4,124,526)	3,679	(4,120,847)	(40,011)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(3,456,906)	896,514	(2,560,392)	(851,913)
Capital contributions	5,564,859	-	5,564,859	-
Change in net assets	2,107,953	896,514	3,004,467	(851,913)
NET ASSETS, beginning of year, restated	281,900,554	125,812		6,579,326
NET ASSETS, end of year	$ 284,008,507	$ 1,022,326		$ 5,727,413
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			(65,712)	
Change in net assets of business-type activities			$ 2,938,755	

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 27,537,518	$ 1,398,176	$ 28,935,694	$ 13,870,775
Payments to suppliers and service providers	(15,277,049)	(829,899)	(16,106,948)	(7,610,009)
Payments to employees	(5,405,820)	(392,599)	(5,798,419)	(6,403,685)
Net cash provided by (used in) operating activities	6,854,649	175,678	7,030,327	(142,919)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	-	-	-	(27,754)
Interest received	527,349	3,679	531,028	32,042
Net cash provided by investing activities	527,349	3,679	531,028	4,288
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(6,742,530)	-	(6,742,530)	(380,135)
Principal payment on bonds	(3,165,000)	-	(3,165,000)	-
Interest paid	(6,900,068)	-	(6,900,068)	-
Capital contributions received	2,342,155	-	2,342,155	-
Net cash used in capital and related financing activities	(14,465,443)	-	(14,465,443)	(380,135)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	-	99,469	99,469	75,949
Intergovernmental grant	-	-	-	3,500
Net cash provided by noncapital financing activities	-	99,469	99,469	79,449
Net increase (decrease) in cash and cash equivalents	(7,083,445)	278,826	(6,804,619)	(439,317)
Cash and cash equivalents:				
Beginning of year, restated	62,077,597	1,082,393	63,159,990	3,169,253
End of year	$ 54,994,152	$ 1,361,219	$ 56,355,371	$ 2,729,936
Classified as:				
Cash	$ 30,463,565	$ 1,361,219	$ 31,824,784	$ 2,729,936
Restricted cash	24,530,587	-	24,530,587	-
Total	$ 54,994,152	$ 1,361,219	$ 56,355,371	$ 2,729,936
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 667,620	$ 892,835	$ 1,560,455	$ (811,902)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	7,409,981	58,232	7,468,213	655,432
Increase in accounts receivable	(741,252)	(105,585)	(846,837)	(20,977)
Increase in due from other funds	-	-	-	(1,860,560)
Decrease in due from other governments	-	11,615	11,615	-
Decrease (increase) in inventories	(49,670)	-	(49,670)	33,362
Decrease in prepaid expenses	-	-	-	35,522
Increase in prepaid sewer capacity	(292,349)	-	(292,349)	-
Decrease in other assets	479,580	-	479,580	-
Increase in accounts payable	957,694	32,105	989,799	258,261
Increase (decrease) in accrued expenses	(1,863,513)	-	(1,863,513)	130,450
Increase in customer deposits payable	231,202	-	231,202	-
Increase in due to other funds	154,980	12,231	167,211	1,643,503
Decrease in unearned revenue	(128,933)	-	(128,933)	(1,010)
Increase (decrease) in compensated absences	29,309	(47,029)	(17,720)	-
Decrease in claims payable	-	-	-	(205,000)
Decrease in landfill postclosure care costs	-	(678,726)	(678,726)	-
Net cash provided by (used in) operating activities	$ 6,854,649	$ 175,678	$ 7,030,327	$ (142,919)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 3,222,704	$ -	$ 3,222,704	$ -

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	Agency Funds	Pension Trust Fund
ASSETS		
Cash	$ 4,897,681	$ 100,002
Mutual funds	-	5,903,716
Taxes receivable	14,488,276	-
Accounts receivable	-	780
Total assets	19,385,957	6,004,498
LIABILITIES		
Due to others	4,897,681	-
Uncollected taxes	14,488,276	-
Total liabilities	19,385,957	-
NET ASSETS		
Net assets held in trust for pension benefits	$ -	$ 6,004,498

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
DECEMBER 31, 2009

	Pension Trust Fund
ADDITIONS	
Contributions	$ 796,399
Investment income	1,131,212
Less investment expense	(18,046)
Net investement income	1,113,166
Total additions	1,909,565
DEDUCTIONS	
Benefit payments	358,027
Total deductions	358,027
Change in net assets	1,551,538
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	4,452,960
End of year	$ 6,004,498

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Forsyth 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

Forsyth County operates under a commissioner-manager form of government under which a five member Board of Commissioners is elected to serve as the legislative body for the County. The commission chairman is elected at large, while the remaining four commissioners are elected by geographical districts in which they reside by voters county wide. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

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. Blended component units, although legally separate entities are, in substance, part of the government's operations. 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.

Blended Component Unit

The Forsyth County Water and Sewerage Authority (Authority) is authorized to acquire, construct, add to, extend, improve, equip, operate, and maintain water and sewerage systems and any other related facilities for the County. The Authority is made up of the five members of the Board of Commissioners of Forsyth County, Georgia, and the director of the Water and Sewer Department of the County. Thus, the Authority's governing body is substantially the same as the governing Board of Forsyth County. The Authority is reported as an enterprise fund. No separate financial statements are issued for this component unit.

Discretely Presented Component Units

The Forsyth County Department of Public Health (the "Health Department") is governed by a seven member board consisting of one member of the Board of Commissioners and two members as appointed by the Board of Commissioners. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Health Department's financial statements can be obtained by writing to the Forsyth County Health Department, P.O. Box 1295, Gainesville, Georgia 30503.

The Forsyth County Public Library (the "Library") serves all citizens of Forsyth County. The Library is governed by a 10-member board of Trustees appointed by the County Board of Commissioners. The County provides the majority of funding for the Library. The Library is presented as a governmental fund type. The Library's fiscal year end is June 30.

The Library's financial statements can be obtained by writing to the Forsyth County Public Library, 585 Dahlonega Road, Cumming, Georgia 30040.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Water and Sewerage Authority offers sewer reservation agreements, which require outside developers to buy future capacity on the County's system. These funds are deferred as unearned revenue until the developer comes to apply for sewer taps or access to the sewer system, at which point the advance payments are then applied to the requested taps and thus recognized as earned revenues.

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. Fines are considered available if they are collected within 60 days of the end of the current fiscal period. Other revenues susceptible to accrual are considered available if they are collected within 90 days 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, sales taxes, franchise taxes, adjudicated fines, charges for services, intergovernmental grants, 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.

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 District Fund*** accounts for the cost of operations of the County Fire Department.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Debt Service Fund*** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The ***Special Purpose Local Option Sales Tax Fund (SPLOST)*** is used to account for the revenues and expenditures relating to the County's 1% Special Purpose Local Option Sales Tax issues.

The ***Capital Projects Fund*** accounts for financial resources to be used for the acquisition and construction of major capital projects.

The ***Impact Fees Fund*** accounts for impact fees restricted for the acquisition or construction of specific capital projects.

The County reports the following major proprietary fund:

The ***Water and Sewerage Authority*** accounts for the activities of the County's water and sewerage system.

Additionally, the County reports the following fund types:

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

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

The ***internal service funds*** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The County uses internal service funds to account for risk management, workers compensation, administrative services, information technology, telecommunications, GIS systems, fleet maintenance, and building occupancy. See the internal service fund divider page for a detailed description of the County's internal service funds.

The ***pension trust fund*** is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The pension trust fund accounts for the assets of the government's employee pension plan.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

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."

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

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

The County also purchases future capacity rights from other local governments and entities which are recorded as prepaid capacity rights. The County uses the rights to enable its sewer system to handle and process the demands of its customers. The prepaid assets are recognized as new customers access the system and consume available capacity.

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.

G. Capital Assets

Capital assets, which include property, plant, equipment, 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

Asset Category	Years
Buildings and improvements	20 - 50
Machinery and equipment	5 - 20
Vehicles	3 - 10
Infrastructure	20 - 50

H. 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. 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.

I. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources 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.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Use of 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.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $163,715,900 difference are as follows:

Bonds payable	$	147,280,000
Unamortized premiums		3,795,501
Cost of issuance		(971,395)
Deferred charges on refundings		(2,277,419)
Certificates of participation		7,777,000
Accrued interest		2,354,961
Net OPEB obligation		200,180
Compensated absences		5,557,072
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	163,715,900

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this $36,119,027 difference are as follows:

Capital outlay	$	52,845,226
Depreciation expense		(16,726,199)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	36,119,027

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets." The details of this $740,103 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the assets sold.	$	(614,843)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		1,354,946
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	740,103

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "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." The details of this $1,619,311 difference are as follows:

Compensated absences	$	664,165
Net OPEB obligation		95,180
Net pension asset		(26,964)
Amortization		(508,460)
Accrued interest		1,395,390
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	1,619,311

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. Prior to July 1, the County Manager submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following January 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 seven days in advance by publication in the official organ of the County.

3. The budget is then adopted by the Board of Commissioners at a public meeting.

4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the Board of Commissioners in a regular meeting.

5. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, Debt Service Fund, and special revenue funds. Project length budgets are adopted for the capital projects funds.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, Debt Service Fund, and the special revenue funds. An annual operating budget is prepared for the proprietary and internal service funds for planning, control, cost allocation and evaluation purposes. All appropriations lapse at year end.

Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made are reflected in the final budget amounts.

B. Deficit Fund Equity

The following funds had deficit fund balances at December 31, 2009. The fund deficits will be reduced through anticipated revenues, lower expenditures and General Fund appropriations, as needed.

Fund	Deficit
Victims Rights & Assistance Fund	$ 2,428

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

C. Excess Expenditures over Appropriations

For the year ended December 31, 2009 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess	Fund/Department	Excess
General Fund		General Fund (Continued)	
Board of commissioners	$ 114,551	Animal control	$ 21,685
Tax commissioner	394,810	Health department	3,026
Tax assessor	326,585	Senior citizens center	130,878
General engineering	1,331,521	Transportation services	44,851
Board of equalization	4,855	Family and children services	15,260
Regional development council	54,998	Parks	720,053
Judicial administration	157,800	Forestry	1,105
Clerk of superior court	171,172	Planning and zoning	377,231
District attorney	95,597	Code enforcement	87,538
State court	28,063	County agent	17,830
Magistrate court	61,834		
Probate court	48,032	Fire District Fund	894,010
Juvenile court	52,615	Victims Rights & Assistance Fund	21,851
Solicitor-state court	120,141	Emergency 911 Telphone	
Pretrial services	1,079	System Fund	317,716
Sheriff	2,699,480	Sheriff's Law Enforcement Fund	832,888
Detention center	1,141,144	Juvenile Court Fund	13,189
Court services	330,314	DUI Court Supervisor Fund	18,846
Ambulance services	25,500	Upper Chattahoochee Basin Fund	62,530
Dispatchers	95,614	Debt Service Fund	7,321,328
Coronor and medical examiner	5,089		

The excess of expenditures over budget that are noted above were primarily funded by greater than anticipated revenues and through use of the fund's fund balance.

NOTE 4. DEPOSITS AND INVESTMENTS

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 banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia. As of December 31, 2009, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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 December 31, 2009, the County had bank balances of $614,480 that were uninsured and uncollateralized.

At December 31, 2009, the County had the following investments that are included in the custodial credit risk discussion above related to deposits:

	Maturity				
Investment	Less than 1 year	1-5 years	Greater than 5 years	Credit Rating	Fair Value
Fidelity Institutional Treasury MM	$ 21,124,720	$ -	$ -	AAAm	$ 21,124,720
United States Treasuries	6,159,104	15,601,533	-	AAA	21,760,637
Geogia Fund 1	82,612,652	-	-	AAAm	82,612,652
Federal Home Loan Mortgage Corp.	-	6,155,265	-	AAA	6,155,265
Federal Home Loan Bank	10,063,719	7,161,580	-	AAA	17,225,299
Federal National Mortgage Assn	1,115,818	13,561,355	-	AAA	14,677,173
Evergreen Institutional Treasury MM	201,687	-	-	Aaa	201,687
First American Treasury MM	61,425,539	-	-	*	61,425,539
Federal Farm Credit Bank	-	528,440	-	AAA	528,440
Guaranteed Investment Contract	-	-	5,369,093	(a)	5,369,093
Mutual Funds - Pension	5,903,716	-	-	(b)	5,903,716
	$ 188,606,955	$ 43,008,173	$ 5,369,093		$ 236,984,221

* These are money market accounts which are not rated.
(a) This is a guaranteed contract with GMA and is not rated.
(b) The mutual funds are rated 3 - 5 stars by Morningstar

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2009, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Fire District Fund	Debt Service Fund	SPLOST Fund
Receivables:				
Taxes	$ 3,273,446	$ 1,556,048	$ 1,035,756	$ -
Other governments	3,341,087	-	-	4,000,484
Accounts	2,062,742	18,380	-	-
Gross receivables	8,677,275	1,574,428	1,035,756	4,000,484
Less allowance for uncollectibles	(512,404)	-	-	-
Net receivables	$ 8,164,871	$ 1,574,428	$ 1,035,756	$ 4,000,484

	Capital Projects Fund	Water & Sewerage Authority	Solid Waste Disposal Facility	Nonmajor Funds
Receivables:				
Taxes	$ -	$ -	$ -	$ -
Other governments	428,168	-	-	-
Accounts	1,776	4,625,420	242,023	507,387
Gross receivables	429,944	4,625,420	242,023	507,387
Less allowance for uncollectibles	-	(1,234,663)	-	-
Net receivables	$ 429,944	$ 3,390,757	$ 242,023	$ 507,387

Property taxes for the 2009 fiscal year were levied on November 20, 2008, with property values assessed as of January 1, 2008. Bills are payable on or before December 20, 2008, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1. Property taxes levied during 2009 are for fiscal year 2010. Amounts recorded as a receivable and amounts collected as of December 31, 2009 related to these taxes are recorded as unearned revenue in both the fund and government-wide financial statements.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 354,228,616	$ 19,534,433	$ (157,503)	$ 5,274,103	$ 378,879,649
Infrastructure land improvements	144,667,927	174,258	(27,924)	2,182,847	146,997,108
Construction in progress	41,489,553	33,311,892	(360,918)	(20,519,868)	53,920,659
Total capital assets, not being depreciated	540,386,096	53,020,583	(546,345)	(13,062,918)	579,797,416
Capital assets, being depreciated:					
Buildings and improvements	79,824,015	-	(116,000)	206,965	79,914,980
Machinery and equipment	36,692,982	245,942	-	253,857	37,192,781
Vehicles	23,587,703	616,751	(94,991)	3,673	24,113,136
Infrastructure	225,287,052	697,031	(111,695)	12,598,423	238,470,811
Total capital assets, being depreciated	365,391,752	1,559,724	(322,686)	13,062,918	379,691,708
Less accumulated depreciation for:					
Buildings and improvements	14,715,398	2,165,206	(88,710)	-	16,791,894
Machinery and equipment	16,266,470	3,266,820	-	-	19,533,290
Vehicles	12,136,784	2,610,575	(89,924)	-	14,657,435
Infrastructure	97,989,423	9,339,030	-	-	107,328,453
Total accumulated depreciation	141,108,075	17,381,631	(178,634)	-	158,311,072
Total capital assets, being depreciated, net	224,283,677	(15,821,907)	(144,052)	13,062,918	221,380,636
Governmental activities capital assets, net	$ 764,669,773	$ 37,198,676	$ (690,397)	$ -	$ 801,178,052

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 28,641,954	$ 86,938	$ -	$ -	$ 28,728,892
Construction in progress	10,056,807	7,480,174	-	(5,955,877)	11,581,104
Total capital assets, not being depreciated	38,698,761	7,567,112	-	(5,955,877)	40,309,996
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	6,402,542	-	-	-	6,402,542
Machinery and equipment	5,857,688	-	-	-	5,857,688
Vehicles	2,087,087	-	-	-	2,087,087
Infrastructure	375,877,421	4,546,489	-	5,955,877	386,379,787
Total capital assets, being depreciated	390,589,991	4,546,489	-	5,955,877	401,092,357
Less accumulated depreciation for:					
Land improvements	84,592	13,248	-	-	97,840
Buildings and improvements	1,011,428	137,003	-	-	1,148,431
Machinery and equipment	2,905,254	117,467	-	-	3,022,721
Vehicles	1,411,521	135,047	-	-	1,546,568
Infrastructure	49,775,082	7,442,993	-		57,218,075
Total accumulated depreciation	55,187,877	7,845,758	-	-	63,033,635
Total capital assets, being depreciated, net	335,402,114	(3,299,269)	-	5,955,877	338,058,722
Business-type activities capital assets, net	$ 374,100,875	$ 4,267,843	$ -	$ -	$ 378,368,718

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 1,151,688
Judicial	321,094
Public safety	4,555,647
Public works	9,969,546
Health and welfare	150,072
Culture and recreation	1,074,852
Housing and development	158,732
Total depreciation expense - governmental activities	$ 17,381,631
Business-type activities:	
Water and Sewerage Authority	7,787,526
Solid Waste Disposal Facility	58,232
Total depreciation expense - business-type activities	$ 7,845,758

B. Discretely Presented Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 41,675	$ -	$ -	$ 41,675
Total	41,675	-	-	41,675
Less accumulated depreciation for:				
Machinery and equipment	(25,381)	(3,740)	-	(29,121)
Total	(25,381)	(3,740)	-	(29,121)
Total capital assets, being depreciated, net	$ 16,294	$ (3,740)	$ -	$ 12,554

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
CIP	$ 405,442	$ 3,164,207	$ (7,068)	$ 3,562,581
Total	405,442	3,164,207	(7,068)	3,562,581
Capital assets, being depreciated:				
Machinery and equipment	1,131,249	41,586	(39,167)	1,133,668
Books and collections	3,984,296	458,396	(517,545)	3,925,147
Total	5,115,545	499,982	(556,712)	5,058,815
Less accumulated depreciation for:				
Machinery and equipment	(681,516)	(96,529)	39,167	(738,878)
Books and collections	(2,784,580)	(545,691)	517,545	(2,812,726)
Total	(3,466,096)	(642,220)	556,712	(3,551,604)
Total capital assets, being depreciated, net	1,649,449	(142,238)	-	1,507,211
Total capital assets, net	$ 2,054,891	$ 3,021,969	$ (7,068)	$ 5,069,792

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2009, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Fire District Fund	$ 1,020,886
General Fund	SPLOST Fund	1,610,352
General Fund	Nonmajor governmental funds	24,854
General Fund	Internal Service Funds	1,860,560
		4,516,652
Internal Service Funds	General Fund	1,349,864
Internal Service Funds	Fire District Fund	268,577
Internal Service Funds	Water and Sewerage Authority	154,980
Internal Service Funds	Solid Waste Disposal Facility	12,231
Internal Service Funds	Nonmajor governmental funds	74,908
		$ 1,860,560

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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) payments between funds are made.

Interfund transfers for the year ended December 31, 2009 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Fire District Fund	$ 1,020,886
Debt Service Fund	SPLOST Fund	10,451,650
Capital Projects Fund	General Fund	245,572
Nonmajor governmental funds	General Fund	304,911

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) to move funds available from sales tax collections to cover allowable SPLOST bond debt service requirements, and (3) provide unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Advances to/from other funds are as follows:

Receivable entity	Payable entity	Amount
Capital Projects Fund	Fire District Fund	$ 47,687
Capital Projects Fund	Solid Waste Disposal Facility	99,469
Capital Projects Fund	Internal Service Funds	75,949
		$ 223,105

The amounts payable from the Fire District Fund, the Solid Waste Disposal Facility and the internal service funds relate to equipment purchased through the Capital Projects Fund and transferred to these funds.

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 148,685,000	$ -	$ (1,405,000)	$ 147,280,000	$ 10,070,000
Less: Deferred amounts on refundings	(2,499,607)	-	222,188	(2,277,419)	-
Plus: Premiums	4,683,218	-	(887,717)	3,795,501	-
Total bonds payable	150,868,611	-	(2,070,529)	148,798,082	10,070,000
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	105,000	201,000	(105,820)	200,180	-
Compensated absences	4,892,907	9,356,278	(8,692,113)	5,557,072	5,557,072
Claims payable	2,175,000	1,044,699	(1,249,699)	1,970,000	1,174,320
Governmental activities long-term liabilities	$ 165,818,518	$ 10,601,977	$ (12,118,161)	$ 164,302,334	$ 16,801,392
Business-type Activities:					
Bonds payable	$ 166,660,000	$ -	$ (3,165,000)	$ 163,495,000	$ 3,295,000
Less: Deferred amounts on refundings	(1,958,362)	-	(127,514)	(2,085,876)	-
Less: Discounts	(379,524)	-	18,428	(361,096)	-
Plus: Premiums	1,732,447	-	(101,202)	1,631,245	-
Total bonds payable	166,054,561	-	(3,375,288)	162,679,273	3,295,000
Landfill postclosure costs	2,699,672	-	(678,726)	2,020,946	101,047
Compensated absences	413,423	1,102,541	(1,120,261)	395,703	389,911
Business-type activities long-term liabilities	$ 169,167,656	$ 1,102,541	$ (5,174,275)	$ 165,095,922	$ 3,785,958

For governmental activities, compensated absences, OPEB obligations, and claims and judgments are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewerage Authority and the Solid Waste Disposal Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. During 2000, the County issued $32,780,000 of Series 2000 various purpose general obligation bonds to provide funds to pay, or to be applied or contributed toward, the cost of constructing, improving, expanding and extending public roads, highways, streets and related facilities as well as the acquisition, construction, improvement and expansion of park and recreation facilities. The bonds carry a rate of interest ranging from 4.9%-5.2% per annum and mature March 1, 2010. During 2004, these bonds were partially advance refunded with Series 2004 Bonds. At December 31, 2009, $27,050,000 of outstanding 2000 general obligation bonds are considered defeased.

During 2004, the County issued $29,045,000 of general obligation refunding bonds to provide resources to refund $27,050,000 of 2000 general obligation bonds. The bonds carry a rate of interest ranging from 4.9%-5.2% per annum and mature March 1, 2020.

During 2008, the County issued $83,000,000 of Series 2008A general obligation bonds. The 2008A Bonds were issued for the purpose of providing funds to finance the costs of acquiring, constructing, renovating, and equipping parks and recreational areas, programs, and facilities in the County. They bear interest rates from 2.5%-5.0% and are payable on March 1 and September 1 of each year. The 2008A bonds mature on March 1, 2028.

During 2008, the County issued $35,000,000 of Series 2008B Sales Tax Bonds. The 2008B Bonds were issued for the purpose of providing funds to finance the costs of acquiring, constructing, renovating, and installing various roads, streets, bridges, and sidewalks in the County. The bonds are payable, as to principal and interest, from a special one percent sales and use tax. They bear interest rates from 4.0%-5.0% and are payable on March 1 and September 1 of each year maturing 2010 through 2013.

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

Year ending December 31,	Principal	Interest	Total
2010	$ 10,070,000	$ 6,821,229	$ 16,891,229
2011	10,870,000	6,328,346	17,198,346
2012	11,750,000	5,795,944	17,545,944
2013	12,395,000	5,212,913	17,607,913
2014	3,875,000	4,826,338	8,701,338
2015 - 2019	30,410,000	20,598,944	51,008,944
2020 - 2024	33,145,000	12,691,666	45,836,666
2025 - 2028	34,765,000	3,655,625	38,420,625
Total	$ 147,280,000	$ 65,931,005	$ 213,211,005

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's participation totaling $7,777,000. The lease pool agreement with the Association provides that the County owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of $7,777,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is require to pay (1) a semi-annual (monthly beginning July 1, 2003) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund rating to the Contract, and (iii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength. At December 31, 2009, the floating rate being paid by the County is 1.76% and the market value of this agreement is $1,058,476.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

The County's total certificates of participation debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	$ -	$ 369,408	$ 369,408
2011	-	369,408	369,408
2012	-	369,408	369,408
2013	-	369,408	369,408
2014	-	369,408	369,408
2015-2019	-	1,847,038	1,847,038
2020-2024	-	1,847,038	1,847,038
2025-2028	7,777,000	1,477,632	9,254,632
Total	$ 7,777,000	$ 7,018,748	$ 14,795,748

Revenue Bonds. Series 1998 Water and Sewerage Revenue Bonds – In August 1998, the County Water and Sewerage Authority issued $47,470,000 in revenue bonds to be used for expansion of the County's water and sewerage system and to complete an in-substance defeasance of the 1994 bonds. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 3.6% to 5.0%, mature April 1, 2015. During 2005, these bonds were partially advance refunded with Series 2005A Bonds. At December 31, 2009, $6,995,000 of outstanding 1998 revenue bonds are considered defeased.

Series 2000 Water and Sewer Revenue Bonds – In June 2000, the County Water and Sewerage Authority issued $29,500,000 in revenue bonds to be used for expansion of the County's water and sewerage system. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 5.0% to 6.25% mature April 1, 2025. In April 2001, the County Water and Sewerage Authority issued $29,590,000 in revenue bonds to provide funds to advance refund the Authority's Series 2000 Revenue Bonds maturing in years 2011 through 2025. At December 31, 2008, $26,660,000 of outstanding Series 2000 revenue bonds are considered defeased.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Series 2001 Water and Sewer Revenue Bonds – In April 2001, the County Water and Sewerage Authority issued $29,590,000 to provide funds to advance refund the Authority's Series 2000 Revenue Bonds maturing in years 2011 through 2025. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 3.25% to 5.00% mature April 1, 2025.

Series 2002 Water and Sewer Revenue Bonds – In December 2002, the County Water and Sewerage Authority issued $30,640,000 in revenue bonds to be used for expansion of the County's water and sewerage system. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds bear interest at rates from 4.980% to 5.057%, and will mature April 1, 2032.

Series 2005A Water and Sewer Revenue Bonds – In June 2005, the County Water and Sewerage Authority issued $27,900,000 in revenue bonds to refund $6,995,000 of the $8,910,000 in aggregate principal amount of the Series 1998 Bonds maturing April 1, 2009 through 2015, and to pay the costs of making additions, extensions, and improvements to the water and sewer system. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds, which bear interest at rates from 3.0% to 5.00%, mature April 1, 2027.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Series 2005B Water and Sewer Revenue Bonds – In June 2005, the County Water and Sewerage Authority issued $30,320,000 in revenue bonds to be used for expansion of the County's water and sewerage system. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds will initially bear interest at the weekly rate and will continue to bear interest at the weekly rate to, but not including, the date on which the interest on the Series 2005B bonds is adjusted. The weekly interest rate is the rate per annum determined by the remarketing agent as the minimum rate of interest that, in the opinion of the remarketing agent, would under the existing market conditions, result in the sale of the bonds at a price equal to the principal amount plus accrued interest. The bonds bear an interest rate at December 31, 2009 of 0.30% and mature January 1, 2035.

Series 2007 Water and Sewer Revenue Bonds – In September 2007, the County Water and Sewerage Authority issued $48,935,000 in revenue bonds to be used for expansion of the County's water and sewerage system. The Authority and the County have entered into a Lease Contract. The County's obligations under the Lease are absolute and unconditional and are secured by a pledge of the net revenues of the System and by a pledge of the County's full faith and credit. In the event revenues from the system are not available, the County has agreed to levy a tax on all taxable property located within the territorial limits of the Special Tax District, at such rates, without limitation, as may be necessary to make the Lease Payments. The bonds bear interest at rates from 3.75% to 5.0%, and will mature between April 1, 2008 and April 1, 2037.

NOTE 8. 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 December 31,	Principal	Interest	Total
2010	$ 3,295,000	$ 6,278,142	$ 9,573,142
2011	3,430,000	6,144,399	9,574,399
2012	3,560,000	6,014,435	9,574,435
2013	3,700,000	5,876,836	9,576,836
2014	3,845,000	5,731,749	9,576,749
2015 - 2019	21,890,000	25,977,041	47,867,041
2020 - 2024	27,730,000	20,140,210	47,870,210
2025 - 2029	35,295,000	12,705,186	48,000,186
2030 - 2034	44,675,000	4,885,119	49,560,119
2035 - 2037	16,075,000	2,855,185	18,930,185
Total	$ 163,495,000	$ 96,608,302	$ 260,103,302

Landfill post-closure costs. Effective July 14, 1999, the Forsyth County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of December 31, 2009, the County has 20 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $2,021,000 over the 20 year period. These costs are based on what it would cost to perform all post-closure care in 2009, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Health Department

Debt activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	$ 71,194	$ 61,127	$ (56,128)	$ 76,193	$ 56,000

C. Discretely Presented Component Unit – Library System

The Library's long-term debt activity for the year ended June 30, 2009, was as follows:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amount Due Within One Year
Capital Leases	$ 4,793	$ 6,106	$ 4,793	$ 6,106	$ 896
Compensated Absences	225,645	169,226	156,546	238,325	95,330
Total	$ 230,438	$ 175,332	$ 161,339	$ 244,431	$ 96,226

The liabilities will be funded by the Library's major funding source, the County, with annual appropriations on a calendar basis. This revenue is recorded in the Library's General Fund.

Capital Leases. The Library has entered into a lease-purchase agreement to finance the acquisition of a postage machine. The lease is for a period of five years, at an interest rate of 10.42%. As of December 31, 2009, the Library had $6,106 of machinery and equipment under a capital lease.

At June 30, 2009, future lease payments for the capital lease payable are as follows:

Year ending June 30,	Principal	Interest	Total
2010	$ 896	$ 545	$ 1,441
2011	1,080	492	1,572
2012	1,198	374	1,572
2013	1,329	243	1,572
2014	1,474	98	1,572
2015	129	1	130
Total	$ 6,106	$ 1,753	$ 7,859

NOTE 9. DEFINED BENEFIT PLAN

Plan Description

The County contributes to the Forsyth County Defined Benefit Pension Plan, which is a single employer public employee retirement system. The plan issues a stand-alone report. This report may be obtained from: Wachovia Retirement Group, Wachovia Bank, NA, 191 Peachtree Street, 23rd Floor, Atlanta, GA 30404.

The Plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

The plan, which is administered by The Benefit Services Group of Wachovia Bank, NA, covers 84 full-time employees of the County as of January 1, 2010. The County's payroll for employees participating in the Plan as of January 1, 2010, (the most recent actuarial valuation date) was $3,087,294 (based on covered earnings of the preceding year.)

The County created this plan simultaneously with changes to its Defined Contribution Plan (a 401(k) plan). There were a number of senior County employees who would not have been able to accrue adequate benefits for retirement as members of the Defined Contribution Plan. Therefore, the County provided the Defined Benefit Plan for a specific group of employees. This group, to be eligible, was required to have 10 years of continuous service as of December 31, 2000. Participants become eligible to retire when they are 65 and have 10 years of continuous service or achieve a combination of years of service and age equal to 75 or greater. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.5% of Average Annual Compensation for each year of service. The Plan also provides benefits in the event of death or disability.

As of January 1, 2010 the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	29
Terminated vested participants not yet receiving benefits	7
Active participants	48
	84

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan. Investments in securities are valued at current market prices. The trust fund is invested in various fixed income and equity mutual funds, along with money market funds. All of these investments are handled through Evergreen Investments, which is the asset management division of Wachovia Bank, N.A.

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2010, (the most recent actuarial valuation date) are as follows:

	January 1, 2010	January 1, 2009
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 907,259	$ 813,486
Interest on Net Pension Obligation	(155,393)	(153,370)
Adjustment of Net Pension Obligation	163,191	109,319
Annual Pension Cost	$ 915,057	$ 769,435

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 769,435
Actual Contributions to Plan for Current Year	796,399
Increase in Net Pension Obligation	(26,964)
Net Pension Obligation (Asset) as of December 31, 2008	(2,044,939)
Net Pension Obligation (Asset) as of December 31, 2009	$ (2,071,903)

Basis of Valuation	
Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.5%
Projected Annual Salary Increases	5.0%
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Entry age normal
Amortization Method	Level dollar (open)
Remaining Amortization Period	30 years

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

The following is a schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2010	$ 6,003,718	$ 13,612,413	$ 7,608,695	44.10 %	$ 3,087,294	246.45 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2010.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/09	$ 769,435	$ 796,399	103.5 %	$ (2,071,903)
12/31/08	581,246	626,061	107.7	(2,044,939)
12/31/07	442,619	485,524	109.7	(2,000,124)

NOTE 10. DEFINED CONTRIBUTION PLAN

The County has a 401(k) tax qualified defined contribution plan (The Forsyth County Profit Sharing Plan administered by Diversified Investment Advisors) as a retirement program for eligible employees. The plan issues a stand-alone report. This report may be obtained from: Diversified Investment Advisors, 4333 Edgewood Road NE, Cedar Rapids, IA 52499. The plan is voluntary and the County matches 100% of the employee's contribution up to a maximum of 5% of their salary. After 10 years of service, the County will match 50% of an employee's contribution of up to an additional 5%. In addition, after 3 years of service, the County contributes 5% of an employee's pensionable earnings to the plan regardless of whether the employee contributes. In 2009, employee contributions were $2,024,021 and County contributions were $1,994,242. County contributions are vested over a five-year period at 20% per year. The investments are self-directed by the employee. The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS

Plan Description

The County administers a single-employer defined benefit healthcare plan. The plan does not issue a stand-alone report. The plan provides healthcare coverage including medical, dental, vision, and prescription drug benefits for eligible retirees and their spouses through the County's self-funded health insurance plan, which covers both active and retired members. Eligible individuals include all regular, full-time employees of the County and their spouses and dependent children. In order to be eligible for retiree healthcare coverage, employees must have earned at least 75 points (age plus service) with the County or must have attained age 60 with at least 5 years of service. Coverage continues at the election of the retiree until age 65.

The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

Retirees must pay the required monthly premium for either single, single plus spouse, single plus children, or family coverage as applicable under the chosen plan of coverage.

As of January 1, 2010 the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	18
Active participants	1,222
	1,240

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS (CONTINUED)

Funding Policy

Contribution requirements are also approved by resolution of the Board of Commissioners. The County pays claims for eligible retired plan members and their spouses. Plan members receiving benefits contribute $65 for single coverage monthly and $195 for single plus spousal coverage monthly.

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year beginning January 1, 2009, (the most recent actuarial valuation date) are as follows:

	January 1, 2009	January 1, 2008
Derivation of Annual OPEB Cost		
Annual Required Contribution	$ 206,000	$ 200,000
Interest on Net OPEB Obligation	4,000	-
Adjustment to the ARC	(9,000)	-
Annual OPEB Cost	$ 201,000	$ 200,000
Derivation of Net OPEB Obligation		
Annual OPEB Cost for Current Year		$ 201,000
Actual Contributions to Plan for Current Year		105,820
Increase in Net OPEB Obligation		95,180
Net OPEB Obligation as of December 31, 2008		105,000
Net OPEB Obligation as of December 31, 2009		$ 200,180

Basis of Valuation	
Current Valuation Date	January 1, 2009
Actuarial Asset Valuation Method	Projected Unit Credit
Assumed Rate of Return on Investments	4.0%
Healthcare Cost Trend Rate	8.0%
Ultimate Healthcare Trend Rate	4.0%
Year of Ultimate Trend Rate	2016
Amortization Method	Level dollar (open)
Remaining Amortization Period	15
Payroll Inflation Rate	2.50%

NOTE 11. OTHER POST-EMPLOYEMENT BENEFITS (CONTINUED)

The following is a schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2009	$ -	$ 881,000	$ 881,000	- %	$ 53,762,000	1.64 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of the plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2009.

Trend Information for The Plan

Fiscal Year Ending	Annual OPEB Cost (AOPC)	Actual County Contribution	Percentage of AOPC Contributed	Net OPEB Obligation
12/31/09	$ 201,000	$ 105,820	52.6 %	$ 200,180
12/31/08	200,000	95,000	47.5	105,000

NOTE 12. 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.

Medical Self-Insurance

The County provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Medical Self-Insurance (Continued)

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2009, excess coverage was obtained for any individual claim in excess of $125,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2009	$ 779,271	$ 10,478,056	$ 10,783,307	$ 474,020
2008	$ 826,282	$ 9,831,065	$ 9,878,076	$ 779,271

Workers Compensation

The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (FUND), self-insured pool cooperative arrangement among its members to finance workers compensation coverage. The fund is owned by its members and is managed by insurance professionals and overseen by a seven member Board of Trustees who are representative from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A 34-9-150 et Seq. and the Georgia Insurance Commissioner's Office.

The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At December 31, 2009, there was no need for such an assessment. Therefore, no liability for this has been included in the amounts below. As part of this risk pool, the County is obligated to pay all contributions and assessments, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by this fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund to pay any type of loss. The County is also to allow all the pool's agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Workers Compensation (Continued)

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is 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.

The County participates in the large deductible option with a $325,000 deductible. Under this plan, Forsyth County is responsible for all payments up to $325,000 per occurrence on workers' compensation claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of December 31, 2009, an actuary determined that an estimated $1,140,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2009 for which Forsyth County will be liable.

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2009	$ 1,420,000	$ 148,890	$ 428,890	$ 1,140,000
2008	$ 1,448,150	$ 753,757	$ 781,907	$ 1,420,000

General Liability

The County participates in the Association of County Commissioners of Georgia 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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

General Liability (Continued)

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.

The County participates in the large deductible option with a $50,000 deductible. Under this plan, Forsyth County is responsible for all payments up to $50,000 per occurrence on general liability claims. Once an individual claim exceeds the deductible, the plan will pay all costs in excess of the deductible. As of December 31, 2009, an actuary determined that an estimated $830,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2009 for which Forsyth County will be liable.

The following describes the activity for the past two fiscal years.

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2009	$ 755,000	$ 895,809	$ 820,809	$ 830,000
2008	$ -	$ 1,136,574	$ 381,574	$ 755,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2009, the County has contractual commitments on uncompleted contracts of approximately $15,817,408.

Litigation

The County is involved in several pending lawsuits. As of December 31, 2009 the County has been named defendant in several cases which have a reasonably possible chance of rendering a potential liability to the County. The County has estimated a potential range of loss to be $500,000 to $1,260,000.

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountain Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended December 31, 2009, the County paid $170,435 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RDC 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 a regional development commission. Separate financial statements may be obtained from:

Georgia Mountain Regional Development Center
P.O. Box 1720
Gainesville, GA 30503

NOTE 15. HOTEL/MOTEL TAX

The County has levied a 6% lodging tax. During the year ended December 31, 2009, the County collected $168,871 in revenues. Of this amount $168,871, or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 16. PRIOR PERIOD RESTATEMENTS

The County has determined that a restatement of beginning fund balance of the General Fund is necessary to show the change in reporting entity, caused by management's decision to eliminate five internal service funds, and to write-off interfund receivables with the Capital Projects Fund which were created by negative cash balances in the prior year which the Capital Projects Fund had no ability or plan to repay. These adjustments resulted in changes to the beginning fund balance of the General Fund as follows:

	General Fund
Fund balance, as previously reported	$ 27,198,582
Adjustments for change in reporting entity	(1,472,404)
Adjustments to write-off uncollectable receivables	(10,172,563)
Fund balance, as restated	$ 15,553,615

The County has determined that a restatement of beginning fund balance of the Victims Rights & Assistance Fund is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds. The County has determined that a restatement of beginning fund balance of the Emergency 911 Telephone System (E911) Fund is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds. These adjustments resulted in changes to the beginning fund balance of the non-major governmental funds as follows:

	Nonmajor Governmental Funds
Fund balance, as previously reported	$ 2,375,165
Adjustments to Victims Rights and Assitance Fund for change in reporting entity	(7,648)
Adjustments to Emergency 911 Telephone System Fund for change in reporting entity	(87,961)
Fund balance, as restated	$ 2,279,556

The County has determined that a restatement of beginning fund balance of the Fire District Fund is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds. This adjustment resulted in changes to the beginning fund balance of the Fire District Fund as follows:

	Fire District Fund
Fund balance, as previously reported	$ (307,232)
Adjustments for change in reporting entity	(292,569)
Fund balance, as restated	$ (599,801)

NOTE 16. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The County has determined that a restatement of beginning fund balance of the Capital Projects Fund is necessary to show the change in reporting entity, caused by managements decision to retroactively eliminate five internal service funds, to record deferred revenues for amounts which were not available in prior years, to properly report investments related to the 1998 GMA Lease Pool which were not previously reported, and to write-off an interfund payable which was not going to be repaid and should have been reported as a transfer in the prior year. This adjustment resulted in changes to the beginning fund balance of the Capital Projects Fund as follows:

	Capital Projects Fund
Fund balance, as previously reported	$ 48,529,468
Adjustments for change in reporting entity	1,610,136
Adjustments to book deferred revenues	(428,168)
Adjustments to record the investments related to GMA leases	5,792,489
Adjustments to write-off interfund payable	10,172,563
Fund balance, as restated	$ 65,676,488

Management of the County has decided the following restatements were required in relation to the County's internal service funds: (1) to retroactively eliminate the Retiree Health Benefits Fund, the Employee Health Benefits Fund, the Defined Benefit Pension Fund, the Compensated Absences Fund, and the Lease Pool Fund, resulting in the net asset changes detailed below; (2) a restatement of beginning net assets of the Administrative Services Fund , the Information Technology Fund, the GIS System Fund, the Fleet Maintenance Fund, and the Building Occupancy Fund is necessary to show the change in reporting entity caused by management's decision to retroactively eliminate the five internal service funds noted above. These adjustments resulted in changes to the beginning net assets of the Internal Service Funds as follows:

	Internal Service Funds
Net assets, as previously reported	$ 1,109,855
Adjustment to retroactively eliminate the Retiree Health Benefits Fund	92,112
Adjustment to retroactively eliminate the Employee Health Benefits Fund	2,372,373
Adjustment to retroactively eliminate the Defined Benefit Pension Fund	282,026
Adjustment to retroactively eliminate the Compensated Absences Fund	2,851,435
Adjustment to retroactively eliminate the Lease Pool Fund	76,132
Adjustments for change in reporting entity to the Administrative Services Fund	(78,402)
Adjustments for change in reporting entity to the Information Technology Fund	(40,156)
Adjustments for change in reporting entity to the GIS Systems Fund	(24,859)
Adjustments for change in reporting entity to the Fleet Maintenance Fund	(28,683)
Adjustments for change in reporting entity to the Building Occupancy Fund	(32,507)
Net assets, as restated	$ 6,579,326

NOTE 16. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The County has determined that a restatement of beginning net assets of the Governmental Activities is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds, adjustments to correctly report the certificates of participation related to the GMA Lease Pool, adjustments to correctly report the GMA Lease Pool investments, and adjustments to remove the portion of compensated absences which belong to the business-type activities. These adjustments resulted in changes to the beginning net assets of the Governmental Activities as follows:

	Governmental Activities
Net assets, as previously reported	$ 764,987,607
Adjustments for change in reporting entity	(2,022,535)
Adjustments to record full GMA Lease payable	(6,090,732)
Adjustments to report the investments of the GMA Lease Pool	5,792,489
Adjustments to remove business-type compensated absences	413,423
Net assets, as restated	$ 763,080,252

The County has determined that a restatement of beginning net assets of the Water & Sewerage Authority is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds, to properly report unearned revenues related to the advance sewer capacity contracts for which the County applies the advanced funds against future connection costs and should be recognized at the time of the actual connection, and to expense costs incorrectly capitalized in prior years. These adjustments resulted in changes to the beginning net assets of the Water & Sewerage Authority as follows:

	Water & Sewerage Authority
Net assets, as previously reported	$ 298,433,057
Adjustments for change in reporting entity	(504,155)
Adjustments to report the unearned revenues as of December 31, 2008	(15,166,269)
Adjustments to properly report capital assets	(862,079)
Net assets, as restated	$ 281,900,554

NOTE 16. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The County has determined that a restatement of beginning net assets of the Solid Waste Disposal Facility is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds. This adjustment resulted in changes to the beginning net assets of the Solid Waste Disposal Facility as follows:

	Solid Waste Disposal Facility
Net assets, as previously reported	$ 201,443
Adjustments for change in reporting entity	(75,631)
Net assets, as restated	$ 125,812

The County has determined that a restatement of beginning net assets of the Business-type Activities is necessary to show the change in reporting entity, caused by management's decision to retroactively eliminate five internal service funds, to properly report unearned revenues related to the advance sewer capacity contracts for which the County applies the advanced funds against future connection costs and should be recognized at the time of the actual connection, and to expense costs incorrectly capitalized in prior years. These adjustments resulted in changes to the beginning net assets of the Business-type Activities as follows:

	Business-type Activities
Net assets, as previously reported	$ 296,953,093
Adjustments for change in reporting entity	(579,786)
Adjustments to show change in internal service allocation as of December 31, 2008 to reflect change in reporting entity	2,188,904
Adjustments to report the unearned revenues as of December 31, 2008	(15,166,269)
Adjustments to properly report capital assets	(862,079)
Net assets, as restated	$ 282,533,863

The County has determined that a restatement of beginning net assets of the Pension Trust Fund was necessary to properly report contributions revenue from the County that should have been accrued as of December 31, 2008. This adjustment resulted in changes to the beginning net assets of the Pension Trust Fund as follows:

	Pension Trust Fund
Net assets, as previously reported	$ 3,826,899
Adjustments to properly recognize County pension contributions	626,061
Net assets, as restated	$ 4,452,960

Required Supplementary Information

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 63,288,127	$ 61,148,500	$ 63,659,611	$ 2,511,111
Licenses and permits	5,413,000	3,495,600	3,783,396	287,796
Intergovernmental	1,394,326	1,312,750	2,589,456	1,276,706
Fines and forfeitures	2,911,700	2,453,600	2,656,501	202,901
Charges for services	8,005,617	8,693,400	9,101,010	407,610
Interest income	2,570,235	517,200	327,666	(189,534)
Contributions	102,000	59,000	122,463	63,463
Miscellaneous	441,500	272,000	737,234	465,234
Total revenues	84,126,505	77,952,050	82,977,337	5,025,287
Expenditures:				
Current:				
General government:				
Board of commissioners	862,749	850,459	965,010	(114,551)
Administrative	706,856	703,039	617,934	85,105
Voter registration	830,391	809,331	773,211	36,120
Tax commissioner	2,617,367	2,477,040	2,871,850	(394,810)
Tax assessor	2,267,512	2,093,756	2,420,341	(326,585)
General engineering	1,846,267	1,729,347	3,060,868	(1,331,521)
Board of equalization	22,739	23,587	28,442	(4,855)
Regional development council	130,000	130,000	184,998	(54,998)
Other	2,000,000	500,000	79,184	420,816
Total general government	11,283,881	9,316,559	11,001,838	(1,685,279)
Judicial:				
Judicial administration	170,313	169,668	327,468	(157,800)
Superior court	680,363	697,702	687,783	9,919
Clerk superior court	2,326,679	2,300,904	2,472,076	(171,172)
District attorney	648,844	599,605	695,202	(95,597)
State court	973,162	996,660	1,024,723	(28,063)
Magistrate court	829,862	829,711	891,545	(61,834)
Probate court	612,893	626,002	674,034	(48,032)
Juvenile court	1,110,517	1,106,069	1,158,684	(52,615)
Solicitor-state court	1,295,818	1,317,370	1,437,511	(120,141)
Indigent defense	1,172,473	1,141,382	1,107,288	34,094
Pretrial services	143,179	146,045	147,124	(1,079)
Total judicial	9,964,103	9,931,118	10,623,438	(692,320)
Public safety:				
Sheriff	21,929,469	21,802,159	24,501,639	(2,699,480)
Detention center	6,902,837	6,231,439	7,372,583	(1,141,144)
Court services	2,854,068	2,930,579	3,260,893	(330,314)
Ambulance services	850,000	850,000	875,500	(25,500)
Dispatchers	-	-	95,614	(95,614)
Coroner and medical examiner	132,313	136,015	141,104	(5,089)
Animal control	619,774	645,953	667,638	(21,685)
Total public safety	33,288,461	32,596,145	36,914,971	(4,318,826)
Public works:				
General-public works	5,065,382	4,805,114	4,660,597	144,517
Storm water division	1,442,873	1,370,846	1,314,778	56,068
Traffic engineering	581,590	535,477	521,861	13,616
Total public works	7,089,845	6,711,437	6,497,236	214,201

(Continued)

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 232,814	$ 223,895	$ 226,921	$ (3,026)
Senior citizens center	1,327,676	1,286,453	1,417,331	(130,878)
Community service	33,436	32,548	22,196	10,352
Transportation servcies	456,678	396,117	440,968	(44,851)
Mental health	98,783	94,109	94,109	-
Family and children services	199,561	193,111	208,371	(15,260)
Total health and welfare	2,348,948	2,226,233	2,409,896	(183,663)
Culture and recreation:				
Recreation	368,982	350,275	322,372	27,903
Parks	6,827,554	6,348,969	7,069,022	(720,053)
Library	4,294,499	4,169,001	4,160,872	8,129
Agencies	277,000	277,000	277,000	-
Total culture and recreation	11,768,035	11,145,245	11,829,266	(684,021)
Housing and development:				
Conservation	182,515	149,947	136,469	13,478
Forestry	1,816	928	2,033	(1,105)
Planning and zoning	3,824,252	3,605,682	3,982,913	(377,231)
Code enforcement	605,246	558,216	645,754	(87,538)
Economic development	60,000	60,000	60,000	-
County agent	226,235	226,040	243,870	(17,830)
Total housing and development	4,900,064	4,600,813	5,071,039	(470,226)
Total expenditures	80,643,337	76,527,550	84,347,684	(7,820,134)
Excess (deficiency) of revenues over expenditures	3,483,168	1,424,500	(1,370,347)	(2,794,847)
Other financing sources (uses):				
Proceeds from sale of assets	-	10,000	82,357	72,357
Transfers in	-	-	1,020,886	1,020,886
Transfers out	(3,483,168)	(604,911)	(550,483)	54,428
Total other financing sources (uses)	(3,483,168)	(594,911)	552,760	1,147,671
Net change in fund balances	-	829,589	(817,587)	(1,647,176)
Fund balances, beginning of year, restated	15,553,615	15,553,615	15,553,615	-
Fund balances, end of year	$ 15,553,615	$ 16,383,204	$ 14,736,028	$ (1,647,176)

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FIRE DISTRICT FUND

FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 14,369,682	$ 14,369,682	$ 15,591,964	$ 1,222,282
Intergovernmental	431,424	431,424	578,313	146,889
Interest income	175,000	175,000	24,132	(150,868)
Contributions	4,000	4,000	7,150	3,150
Miscellaneous	64,670	64,670	130,395	65,725
Total revenues	15,044,776	15,044,776	16,331,954	1,287,178
Expenditures:				
Current:				
Public safety	15,044,776	13,377,505	14,271,515	(894,010)
Total expenditures	15,044,776	13,377,505	14,271,515	(894,010)
Excess of revenues over expenditures	-	1,667,271	2,060,439	393,168
Other financing uses:				
Transfers out	-	-	(1,020,886)	(1,020,886)
Total other financing uses	-	-	(1,020,886)	(1,020,886)
Net changes in fund balances	-	1,667,271	1,039,553	(627,718)
Fund balances (deficit), beginning of year, restated	(599,801)	(599,801)	(599,801)	-
Fund balances (deficit), end of year	$ (599,801)	$ 1,067,470	$ 439,752	$ (627,718)

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

Defined Benefit Pension Plan

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
January 1, 2010	$ 6,003,718	$ 13,612,413	$ 7,608,695	44.1%	$ 3,087,294	246.5%
January 1, 2009	4,452,960	13,124,522	8,671,562	33.9%	3,569,495	242.9%
January 1, 2008	5,649,897	11,529,749	5,879,852	49.0%	3,398,361	173.0%
January 1, 2007	5,168,361	10,526,180	5,357,819	49.1%	3,358,182	159.5%
January 1, 2006	4,375,874	11,318,979	6,943,105	38.7%	3,149,065	220.5%
January 1, 2005	3,932,868	11,024,034	7,091,166	35.7%	3,158,207	224.5%

NOTE: See assumptions used for this schedule in the notes to the financial statements.

Other Post-Employement Benefit Plan

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
January 1, 2009	$ -	$ 881,000	$ 881,000	0.0%	$ 53,762,000	1.6%
January 1, 2008	-	881,000	881,000	0.0%	53,762,000	1.6%

NOTE: The County is only required to have an actuarial valuation performed every two years and thus there was not a measurement date for 2009.
NOTE: See assumptions used for this schedule in the notes to the financial statements.

Supplemental Information

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Victims Rights & Assistance Fund – to account for funds collected from fines and forfeitures that are used to assist victims of crime.

Drug Abuse Treatment & Education Fund - to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Treatment and Education Fund.

Emergency 911 Telephone System Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services.

Sheriff's Law Enforcement Fund – to account for funds from seizures to be used for law enforcement activities.

District Attorney Seizure Fund - to account for funds received through seizures that are to be used for activities within the District Attorney's office.

Law Library Fund - to account for the revenues and related expenditures of operating the County's Law Library.

Juvenile Court Fund - to account for funds from fines and forfeitures to be used for law enforcement activities.

DUI Court Supervisor Fund - to account for funds collected from fines that are used to pay for DUI supervision fees.

Keep Forsyth Beautiful Fund - to account for various grants and donations as well as subsidies from the General Fund to support various activities and projects that reduce littering and other practices that diminish the beauty of Forsyth County.

Upper Chattahoochee Basin Fund - to account for funds received from participating governments related to the study of the Upper Chattahoochee River Basin.

Hotel/Motel Tax Fund - to account for the collection of hotel/motel taxes within the County and for the expenditures made distributing the collections to the appropriate entities.

Capital Projects Fund

County Jail Construction Fund - to account for financial resources to be used for the construction of the new County Jail Facility.

FORSYTH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Special Revenue Funds					
ASSETS	**Victims Rights & Assistance Fund**	**Drug Abuse Treatment & Education Fund**	**Emergency 911 Telephone System Fund**	**Sheriff's Law Enforcement Fund**	**Distict Attorney Seizure Fund**	**Law Library Fund**
Cash and cash equivalents	$ 5,570	$ 275,916	$ 550,648	$ 341,623	$ 93,076	$ 180,937
Receivables, net of allowance for uncollectibles	17,226	2,838	459,052	-	-	6,310
Total assets	$ 22,796	$ 278,754	$ 1,009,700	$ 341,623	$ 93,076	$ 187,247
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 80	$ 1,265	$ 23,071	$ -	$ -	$ -
Accrued expenditures	-	-	22,584	-	-	-
Due to other funds	25,144	-	67,736	-	-	6,241
Deferred revenue	-	-	-	-	-	-
Total liabilities	25,224	1,265	113,391	-	-	6,241
FUND BALANCES (DEFICIT)						
Reserved for encumbrances	-	-	5,827	-	-	-
Unreserved, undesignated	(2,428)	277,489	890,482	341,623	93,076	181,006
Total fund balances (deficit)	(2,428)	277,489	896,309	341,623	93,076	181,006
Total liabilities and fund balances	$ 22,796	$ 278,754	$ 1,009,700	$ 341,623	$ 93,076	$ 187,247

Special Revenue Funds						Capital Projects Funds	
Juvenile Court Fund	DUI Court Supervisor Fund	Keep Forsyth Beautiful Fund	Upper Chattahoochee Basin Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Total Nonmajor Governmental Funds
$ 58,304	$ 22,412	$ 78,018	$ 2	$ -	$ 416,539	$ 2,023,045
-	2,750	359	-	18,852	-	507,387
$ 58,304	$ 25,162	$ 78,377	$ 2	$ 18,852	$ 416,539	$ 2,530,432
$ -	$ 1,244	$ 3,248	$ -	$ 9,245	$ -	$ 38,153
-	-	-	-	-	-	22,584
-	-	641	-	-	-	99,762
-	-	-	-	9,607	-	9,607
-	1,244	3,889	-	18,852	-	170,106
-	-	-	-	-	-	5,827
58,304	23,918	74,488	2	-	416,539	2,354,499
58,304	23,918	74,488	2	-	416,539	2,360,326
$ 58,304	$ 25,162	$ 78,377	$ 2	$ 18,852	$ 416,539	$ 2,530,432

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds					
	Victims Rights & Assistance Fund	Drug Abuse Treatment & Education Fund	Emergency 911 Telephone System Fund	Sheriff's Law Enforcement Fund	Distict Attorney Seizure Fund	Law Library Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	64,018	43,038	-	-	-	-
Fines and forfeitures	112,486	85,036	-	880,999	8,497	81,061
Charges for services	-	-	3,554,841	47,011	-	-
Interest income	18	98	390	130	-	135
Contributions and donations	-	5,000	-	5,305	-	-
Miscellaneous	1,845	-	21,213	-	-	21,790
Total revenues	178,367	133,172	3,576,444	933,445	8,497	102,986
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Judicial	328,075	-	-	-	-	89,813
Public safety	-	97,656	3,752,962	944,888	17,092	-
Housing and development	-	-	-	-	-	-
Total expenditures	328,075	97,656	3,752,962	944,888	17,092	89,813
Excess (deficiency) of revenues over expenditures	(149,708)	35,516	(176,518)	(11,443)	(8,595)	13,173
Other financing sources:						
Proceeds from sale of capital assets	-	-	-	6,500	-	-
Transfers in	108,938	-	-	-	-	-
Total other financing sources	108,938	-	-	6,500	-	-
Net change in fund balances	(40,770)	35,516	(176,518)	(4,943)	(8,595)	13,173
Fund balances, beginning of year, restated	38,342	241,973	1,072,827	346,566	101,671	167,833
Fund balances (deficit), end of year	$ (2,428)	$ 277,489	$ 896,309	$ 341,623	$ 93,076	$ 181,006

Special Revenue Funds					Capital Projects Funds	
Juvenile Court Fund	DUI Court Supervisor Fund	Keep Forsyth Beautiful Fund	Upper Chattahoochee Basin Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 168,871	$ -	$ 168,871
-	32,310	4,196	82,094	-	-	225,656
16,321	15,831	-	-	-	231,919	1,432,150
35	125	13,120	-	-	-	3,615,132
25	7	-	5	-	86	894
-	-	-	-	-	-	10,305
-	5,000	-	-	-	-	49,848
16,381	53,273	17,316	82,099	168,871	232,005	5,502,856
-	-	-	89,030	-	-	89,030
23,189	42,399	-	-	-	-	483,476
-	3,854	-	-	-	-	4,816,452
-	-	175,668	-	168,871	-	344,539
23,189	46,253	175,668	89,030	168,871	-	5,733,497
(6,808)	7,020	(158,352)	(6,931)	-	232,005	(230,641)
-	-	-	-	-	-	6,500
-	-	195,973	-	-	-	304,911
-	-	195,973	-	-	-	311,411
(6,808)	7,020	37,621	(6,931)	-	232,005	80,770
65,112	16,898	36,867	6,933	-	184,534	2,279,556
$ 58,304	$ 23,918	$ 74,488	$ 2	$ -	$ 416,539	$ 2,360,326

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 80,169	$ 80,169	$ 64,018	$ (16,151)
Fines and forfeitures	126,210	126,210	112,486	(13,724)
Interest income	1,000	1,000	18	(982)
Miscellaneous	-	-	1,845	1,845
Total revenues	207,379	207,379	178,367	(29,012)
Expenditures:				
Current:				
Judicial	316,317	306,224	328,075	(21,851)
Total expenditures	316,317	306,224	328,075	(21,851)
Deficiency of revenues over expenditures	(108,938)	(98,845)	(149,708)	(50,863)
Other financing sources:				
Transfers in	108,938	92,258	108,938	16,680
Total other financing sources	108,938	92,258	108,938	16,680
Net changes in fund balances	-	(6,587)	(40,770)	(34,183)
Fund balances, beginning of year, restated	38,342	38,342	38,342	-
Fund balances (deficit), end of year	$ 38,342	$ 31,755	$ (2,428)	$ (34,183)

FORSYTH COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 33,103	$ 33,103	$ 43,038	$ 9,935
Fines and forfeitures	84,500	84,500	85,036	536
Interest income	4,970	4,970	98	(4,872)
Contributions	-	5,000	5,000	-
Total revenues	122,573	127,573	133,172	5,599
Expenditures:				
Current:				
Public safety	122,573	122,573	97,656	24,917
Total expenditures	122,573	122,573	97,656	24,917
Net changes in fund balances	-	5,000	35,516	30,516
Fund balances, beginning of year	241,973	241,973	241,973	-
Fund balances, end of year	$ 241,973	$ 246,973	$ 277,489	$ 30,516

FORSYTH COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE SYSTEM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,658,827	$ 3,425,250	$ 3,554,841	$ 129,591
Interest income	60,000	6,000	390	(5,610)
Miscellaneous	-	-	21,213	21,213
Total revenues	3,718,827	3,431,250	3,576,444	145,194
Expenditures:				
Current:				
Public safety	3,718,827	3,435,246	3,752,962	(317,716)
Total expenditures	3,718,827	3,435,246	3,752,962	(317,716)
Net changes in fund balances	-	(3,996)	(176,518)	(172,522)
Fund balances, beginning of year, restated	1,072,827	1,072,827	1,072,827	-
Fund balances, end of year	$ 1,072,827	$ 1,068,831	$ 896,309	$ (172,522)

FORSYTH COUNTY, GEORGIA
SHERIFF'S LAW ENFORCEMENT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 110,000	$ 110,000	$ 880,999	$ 770,999
Charges for services	-	-	47,011	47,011
Interest income	2,000	2,000	130	(1,870)
Contributions	-	-	5,305	5,305
Total revenues	112,000	112,000	933,445	821,445
Expenditures:				
Current:				
Public safety	112,000	112,000	944,888	(832,888)
Total expenditures	112,000	112,000	944,888	(832,888)
Deficiency of revenues over expenditures	-	-	(11,443)	(11,443)
Other financing sources:				
Proceeds from sale of capital assets	-	-	6,500	6,500
Total other financing sources	-	-	6,500	6,500
Net changes in fund balances	-	-	(4,943)	(4,943)
Fund balances, beginning of year	346,566	346,566	346,566	-
Fund balances, end of year	$ 346,566	$ 346,566	$ 341,623	$ (4,943)

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 75,000	$ 75,000	$ 81,061	$ 6,061
Interest income	-	-	135	135
Miscellaneous	20,000	20,000	21,790	1,790
Total revenues	95,000	95,000	102,986	7,986
Expenditures:				
Current:				
Judicial	95,000	95,000	89,813	5,187
Total expenditures	95,000	95,000	89,813	5,187
Net changes in fund balances	-	-	13,173	13,173
Fund balances, beginning of year	167,833	167,833	167,833	-
Fund balances, end of year	$ 167,833	$ 167,833	$ 181,006	$ 13,173

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 10,000	$ 10,000	$ 16,321	$ 6,321
Charges for services	-	-	35	35
Interest income	-	-	25	25
Total revenues	10,000	10,000	16,381	6,381
Expenditures:				
Current:				
Judicial	10,000	10,000	23,189	(13,189)
Total expenditures	10,000	10,000	23,189	(13,189)
Net changes in fund balances	-	-	(6,808)	(6,808)
Fund balances, beginning of year	65,112	65,112	65,112	-
Fund balances, end of year	$ 65,112	$ 65,112	$ 58,304	$ (6,808)

FORSYTH COUNTY, GEORGIA
DUI COURT SUPERVISOR

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ -	$ 25,700	$ 32,310	$ 6,610
Fines and forfeitures	27,407	27,407	15,831	(11,576)
Charges for services	-	-	125	125
Interest income	-	-	7	7
Miscellaneous	-	5,000	5,000	-
Total revenues	27,407	58,107	53,273	(4,834)
Expenditures:				
Current:				
Judicial	27,407	22,407	42,399	(19,992)
Public safety	-	5,000	3,854	1,146
Total expenditures	27,407	27,407	46,253	(18,846)
Net changes in fund balances	-	30,700	7,020	(23,680)
Fund balances, beginning of year	16,898	16,898	16,898	-
Fund balances, end of year	$ 16,898	$ 47,598	$ 23,918	$ (23,680)

FORSYTH COUNTY, GEORGIA
KEEP FORSYTH BEAUTIFUL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ -	$ 64,974	$ 4,196	$ (60,778)
Charges for services	15,571	20,321	13,120	(7,201)
Total revenues	15,571	85,295	17,316	(67,979)
Expenditures:				
Current:				
Housing and development	211,544	179,765	175,668	4,097
Total expenditures	211,544	179,765	175,668	4,097
Deficiency of revenues over expenditures	(195,973)	(94,470)	(158,352)	(63,882)
Other financing sources:				
Transfers in	195,973	94,479	195,973	101,494
Total other financing sources	195,973	94,479	195,973	101,494
Net changes in fund balances	-	9	37,621	37,612
Fund balances, beginning of year	36,867	36,867	36,867	-
Fund balances, end of year	$ 36,867	$ 36,876	$ 74,488	$ 37,612

FORSYTH COUNTY, GEORGIA
UPPER CHATTAHOOCHEE BASIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 26,500	$ 26,500	$ 82,094	$ 55,594
Interest	-	-	5	5
Total revenues	26,500	26,500	82,099	55,599
Expenditures:				
Current:				
General government	26,500	26,500	89,030	(62,530)
Total expenditures	26,500	26,500	89,030	(62,530)
Net changes in fund balances	-	-	(6,931)	(6,931)
Fund balances, beginning of year	6,933	6,933	6,933	-
Fund balances, end of year	$ 6,933	$ 6,933	$ 2	$ (6,931)

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 226,764	$ 226,764	$ 168,871	$ (57,893)
Total revenues	226,764	226,764	168,871	(57,893)
Expenditures:				
Current:				
Housing and development	226,764	226,764	168,871	57,893
Total expenditures	226,764	226,764	168,871	57,893
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

FORSYTH COUNTY, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 4,245,837	$ 4,245,837	$ 11,914,752	$ 7,668,915
Investment income	250,000	250,000	6,276	(243,724)
Total revenues	4,495,837	4,495,837	11,921,028	7,425,191
Expenditures:				
General government	102,000	102,000	347,712	(245,712)
Debt service:				
Principal	-	-	1,405,000	(1,405,000)
Interest	-	-	5,670,616	(5,670,616)
Total expenditures	102,000	102,000	7,423,328	(7,321,328)
Excess of revenues over expenditures	4,393,837	4,393,837	4,497,700	103,863
Other financing sources:				
Transfers in	-	-	10,451,650	10,451,650
Total other financing sources	-	-	10,451,650	10,451,650
Net changes in fund balances	4,393,837	4,393,837	14,949,350	10,555,513
Fund balances, beginning of year	8,405,697	8,405,697	8,405,697	-
Fund balances, end of year	$ 12,799,534	$ 12,799,534	$ 23,355,047	$ 10,555,513

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2009

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V - 2003 SPLOST					
Roads, streets and bridges	$ 99,100,000	$ 99,100,000	$ 95,870,965	$ 728,157	$ 96,599,122
Parks and recreation	12,250,000	12,250,000	4,830,826	3,020,173	7,850,999
Library facilities	4,762,000	4,762,000	327,333	3,032,004	3,359,337
Cultural facilities	400,000	400,000	233,990	-	233,990
Public building projects	5,500,000	5,500,000	2,718,845	-	2,718,845
Public safety improvements	18,580,000	18,580,000	17,714,673	13,000	17,727,673
Payments to City of Cumming	19,400,000	21,885,000	21,884,287	-	21,884,287
Total 2003 SPLOST	$ 159,992,000	$ 162,477,000	$ 143,580,919	$ 6,793,334	$ 150,374,253
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 218,702,500	$ 218,702,500	$ 12,493,302	$ 17,620,581	$ 30,113,883
Public safety facilities	17,800,000	17,800,000	-	-	-
Park and recreation facilities	13,500,000	13,500,000	241,328	10,545,991	10,787,319
Library facilities	7,200,000	7,200,000	-	-	-
Cultural facilities	6,000,000	6,000,000	1,000,000	2,516,017	3,516,017
Payments to the City of Cumming	11,797,500	11,797,500	608,422	1,083,312	1,691,734
Total 2008 SPLOST	$ 275,000,000	$ 275,000,000	$ 14,343,052	$ 31,765,901	$ 46,108,953

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Risk Management Fund – to account for charges to other funds and for the payment of general liability and property insurance and the payment of claims.

Workers' Compensation Fund – to account for charges to other funds and for the payment of the workers' compensation insurance and claims.

Administrative Services Fund – to account for charges to other funds and for the costs of operating the functions of Finance, Purchasing, Human Resources and Legal.

Information Technology Fund – to account for charges to other funds and for the costs of operating the Information Technology function.

Telecommunications Fund – to account for charges to other funds and the costs of operating the central telephone system.

GIS Systems Fund – to account for charges to other funds and for the cost of operating the GIS function.

Fleet Maintenance Fund – to account for charges to other funds and to account for the costs of operating the fleet maintenance function.

Building Occupancy Fund – to account for charges to other funds and to account for the costs of operating the County's buildings.

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

DECEMBER 31, 2009

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
ASSETS				
Current assets:				
Cash	$ 1,962,655	$ 470,818	$ -	$ -
Investments	-	2,610,608	-	-
Receivables (net of allowance for uncollectibles)	-	24,011	11,064	-
Due from other funds	-	-	999,967	560,902
Inventories	-	-	11,885	8,567
Prepaid items	322,860	-	-	-
Total current assets	2,285,515	3,105,437	1,022,916	569,469
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	-	-	-	83,900
Capital assets, being depreciated	-	-	682,470	1,919,002
Less accumulated depreciation	-	-	(453,214)	(1,018,541)
Total capital assets, net of accumulated depreciation	-	-	229,256	984,361
Total assets	2,285,515	3,105,437	1,252,172	1,553,830
LIABILITIES				
Current liabilities:				
Accounts payable	22,680	121,522	24,616	45,452
Accrued expenses	11,602	-	-	112,900
Due to other funds	-	-	999,967	560,902
Unearned revenue	-	-	-	-
Claims payable	830,000	344,320	-	-
Total current liabilities	864,282	465,842	1,024,583	719,254
Long-term liabilities:				
Advance from other funds	43,781	-	-	-
Claims payable	-	795,680	-	-
Total long-term liabilities	43,781	795,680	-	-
Total liabilities	908,063	1,261,522	1,024,583	719,254
NET ASSETS				
Invested in capital assets	-	-	229,256	984,361
Unrestricted	1,377,452	1,843,915	(1,667)	(149,785)
Total net assets	$ 1,377,452	$ 1,843,915	$ 227,589	$ 834,576

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 90,147	$ 127,680	$ -	$ 78,636	$ 2,729,936
-	-	-	-	2,610,608
3,030	-	-	4,800	42,905
-	-	299,691	-	1,860,560
-	-	247,092	-	267,544
-	-	-	-	322,860
93,177	127,680	546,783	83,436	7,834,413
-	97,454	-	-	181,354
394,324	685,357	654,717	853,955	5,189,825
(106,623)	(521,545)	(403,578)	(527,910)	(3,031,411)
287,701	261,266	251,139	326,045	2,339,768
380,878	388,946	797,922	409,481	10,174,181
17,156	4,993	14,346	157,369	408,134
-	-	-	5,948	130,450
-	-	299,691	-	1,860,560
-	-	-	1,675	1,675
-	-	-	-	1,174,320
17,156	4,993	314,037	164,992	3,575,139
-	-	14,434	17,734	75,949
-	-	-	-	795,680
-	-	14,434	17,734	871,629
17,156	4,993	328,471	182,726	4,446,768
287,701	261,266	251,139	326,045	2,339,768
76,021	122,687	218,312	(99,290)	3,387,645
$ 363,722	$ 383,953	$ 469,451	$ 226,755	$ 5,727,413

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
OPERATING REVENUES				
Charges for services	$ 1,031,172	$ 949,276	$ 3,816,901	$ 2,230,982
Insurance recoveries	35,151	128,747	18,907	-
Other operating income	-	-	94,504	14,485
Total operating revenues	1,066,323	1,078,023	3,930,312	2,245,467
OPERATING EXPENSES				
Salaries and benefits	-	-	2,402,566	1,555,547
Supplies and maintenance	-	-	1,277,887	1,016,065
Claims paid	520,809	428,890	-	-
Insurance premiums	683,146	379,234	-	-
General and administrative	3,951	-	-	-
Depreciation expense	-	-	137,464	242,830
Total operating expenses	1,207,906	808,124	3,817,917	2,814,442
Operating income (loss)	(141,583)	269,899	112,395	(568,975)
NONOPERATING REVENUE (EXPENSES)				
Loss on disposal of capital assets	-	-	(75,553)	-
Investment earnings	819	30,646	527	16
Intergovernmental	-	-	3,500	-
Total nonoperating revenues (expenses)	819	30,646	(71,526)	16
Change in net assets	(140,764)	300,545	40,869	(568,959)
NET ASSETS, beginning of year, restated	1,518,216	1,543,370	186,720	1,403,535
NET ASSETS, end of year	$ 1,377,452	$ 1,843,915	$ 227,589	$ 834,576

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 668,261	$ 607,215	$ 1,235,340	$ 3,804,102	$ 14,343,249
-	-	-	-	182,805
-	17,273	6,917	200,408	333,587
668,261	624,488	1,242,257	4,004,510	14,859,641
77,219	1,057,424	1,009,201	1,084,638	7,186,595
488,544	154,077	202,120	2,674,793	5,813,486
-	-	-	-	949,699
-	-	-	-	1,062,380
-	-	-	-	3,951
47,237	85,017	82,758	60,126	655,432
613,000	1,296,518	1,294,079	3,819,557	15,671,543
55,261	(672,030)	(51,822)	184,953	(811,902)
-	-	-	-	(75,553)
-	10	11	13	32,042
-	-	-	-	3,500
-	10	11	13	(40,011)
55,261	(672,020)	(51,811)	184,966	(851,913)
308,461	1,055,973	521,262	41,789	6,579,326
$ 363,722	$ 383,953	$ 469,451	$ 226,755	$ 5,727,413

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,067,053	$ 1,075,210	$ 2,951,359	$ 2,245,467
Payments to suppliers and service providers	(1,105,156)	(1,017,639)	(1,288,325)	(835,310)
Payments to employees	-	-	(1,619,656)	(1,555,547)
Net cash provided by (used in) operating activities	(38,103)	57,571	43,378	(145,390)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	-	(27,754)	-	-
Interest received	819	30,646	527	16
Net cash provided by investing activities	819	2,892	527	16
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(47,405)	(180,076)
Net cash used in capital and related financing activities	-	-	(47,405)	(180,076)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	43,781	-	-	-
Intergovernmental grant	-	-	3,500	-
Net cash provided by noncapital financing activities	43,781	-	3,500	-
Net increase (decrease) in cash and cash equivalents	6,497	60,463	-	(325,450)
Cash and cash equivalents:				
Beginning of year, restated	1,956,158	410,355	-	325,450
End of year	$ 1,962,655	$ 470,818	$ -	$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (141,583)	$ 269,899	$ 112,395	$ (568,975)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	137,464	242,830
Decrease (increase) in accounts receivable	730	(2,813)	(11,064)	-
Increase in due from other funds	-	-	(999,967)	(560,902)
Decrease (increase) in inventory	-	-	(11,885)	22,720
Decrease in prepaids	3,444	-	32,078	-
Increase in accounts payable	12,704	70,485	1,447	45,135
Increase in accrued expenses	11,602	-	-	112,900
Increase in due to other funds	-	-	782,910	560,902
Decrease in unearned revenue	-	-	-	-
Increase (decrease) in claims payable	75,000	(280,000)	-	-
Net cash provided by (used in) operating activities	$ (38,103)	$ 57,571	$ 43,378	$ (145,390)

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 665,231	$ 624,488	$ 1,242,257	$ 3,999,710	$ 13,870,775
(471,388)	(149,447)	(167,019)	(2,575,725)	(7,610,009)
(77,219)	(1,057,424)	(1,009,201)	(1,084,638)	(6,403,685)
116,624	(582,383)	66,037	339,347	(142,919)
-	-	-	-	(27,754)
-	10	11	13	32,042
-	10	11	13	4,288
-	(97,454)	-	(55,200)	(380,135)
-	(97,454)	-	(55,200)	(380,135)
-	-	14,434	17,734	75,949
-	-	-	-	3,500
-	-	14,434	17,734	79,449
116,624	(679,827)	80,482	301,894	(439,317)
(26,477)	807,507	(80,482)	(223,258)	3,169,253
$ 90,147	$ 127,680	$ -	$ 78,636	$ 2,729,936
$ 55,261	$ (672,030)	$ (51,822)	$ 184,953	$ (811,902)
47,237	85,017	82,758	60,126	655,432
(3,030)	-	-	(4,800)	(20,977)
-	-	(299,691)	-	(1,860,560)
-	-	22,527	-	33,362
-	-	-	-	35,522
17,156	4,630	12,574	94,130	258,261
-	-	-	5,948	130,450
-	-	299,691	-	1,643,503
-	-	-	(1,010)	(1,010)
-	-	-	-	(205,000)
$ 116,624	$ (582,383)	$ 66,037	$ 339,347	$ (142,919)

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
Magistrate Court
Juvenile Court

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2009

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 1,737,356	$ 159,842	$ 2,538,982	$ 430,318	$ 30,387	$ 796	$ 4,897,681
Taxes receivable	14,488,276	-	-	-	-	-	14,488,276
Total assets	$ 16,225,632	$ 159,842	$ 2,538,982	$ 430,318	$ 30,387	$ 796	$ 19,385,957
LIABILITIES							
Due to others	$ 1,737,356	$ 159,842	$ 2,538,982	$ 430,318	$ 30,387	$ 796	$ 4,897,681
Uncollected taxes	14,488,276	-	-	-	-	-	14,488,276
Total liabilities	$ 16,225,632	$ 159,842	$ 2,538,982	$ 430,318	$ 30,387	$ 796	$ 19,385,957

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1, 2009	Increases	Decreases	Balance December 31, 2009
Tax Commissioner				
ASSETS				
Cash	$ 205,562	$ 229,848,930	$ (228,317,136)	$ 1,737,356
Taxes receivable	21,736,275	201,698,814	(208,946,813)	14,488,276
Total assets	$ 21,941,837	$ 431,547,744	$ (437,263,949)	$ 16,225,632
LIABILITIES				
Due to others	$ 205,562	$ 229,848,930	$ (228,317,136)	$ 1,737,356
Uncollected taxes	21,736,275	201,698,814	(208,946,813)	14,488,276
Total liabilities	$ 21,941,837	$ 431,547,744	$ (437,263,949)	$ 16,225,632
Sheriff				
ASSETS				
Cash	$ 185,680	$ 2,602,157	$ (2,627,995)	$ 159,842
Total assets	$ 185,680	$ 2,602,157	$ (2,627,995)	$ 159,842
LIABILITIES				
Due to others	$ 185,680	$ 2,602,157	$ (2,627,995)	$ 159,842
Total liabilities	$ 185,680	$ 2,602,157	$ (2,627,995)	$ 159,842
Clerk of Superior Court				
ASSETS				
Cash	$ 4,030,806	$ 20,752,422	$ (22,244,246)	$ 2,538,982
Total assets	$ 4,030,806	$ 20,752,422	$ (22,244,246)	$ 2,538,982
LIABILITIES				
Due to others	$ 4,030,806	$ 20,752,422	$ (22,244,246)	$ 2,538,982
Total liabilities	$ 4,030,806	$ 20,752,422	$ (22,244,246)	$ 2,538,982

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balance January 1, 2009	Increases	Decreases	Balance December 31, 2009
Probate Court				
ASSETS				
Cash	$ 694,655	$ 813,041	$ (1,077,378)	$ 430,318
Total assets	$ 694,655	$ 813,041	$ (1,077,378)	$ 430,318
LIABILITIES				
Due to others	$ 694,655	$ 813,041	$ (1,077,378)	$ 430,318
Total liabilities	$ 694,655	$ 813,041	$ (1,077,378)	$ 430,318
Magistrate Court				
ASSETS				
Cash	$ 38,178	$ 836,952	$ (844,743)	$ 30,387
Total assets	$ 38,178	$ 836,952	$ (844,743)	$ 30,387
LIABILITIES				
Due to others	$ 38,178	$ 836,952	$ (844,743)	$ 30,387
Total liabilities	$ 38,178	$ 836,952	$ (844,743)	$ 30,387
Juvenile Court				
ASSETS				
Cash	$ 3,036	$ 37,716	$ (39,956)	$ 796
Total assets	$ 3,036	$ 37,716	$ (39,956)	$ 796
LIABILITIES				
Due to others	$ 3,036	$ 37,716	$ (39,956)	$ 796
Total liabilities	$ 3,036	$ 37,716	$ (39,956)	$ 796
Total Agency Funds				
ASSETS				
Cash	$ 5,157,917	$ 254,891,218	$ (255,151,454)	$ 4,897,681
Taxes receivable	21,736,275	201,698,814	(208,946,813)	14,488,276
Total assets	$ 26,894,192	$ 456,590,032	$ (464,098,267)	$ 19,385,957
LIABILITIES				
Due to others	$ 5,157,917	$ 254,891,218	$ (255,151,454)	$ 4,897,681
Uncollected taxes	21,736,275	201,698,814	(208,946,813)	14,488,276
Total liabilities	$ 26,894,192	$ 456,590,032	$ (464,098,267)	$ 19,385,957

Statistical Section

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

STATISTICAL SECTION

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

Page

Financial Trends 90-95

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 96-103

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

Debt Capacity 104-108

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 109-110

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 111-114

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. The government implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

FORSYTH COUNTY, GEORGIA

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES								
Invested in capital assets, net of related debt	$ 94,185	$ 121,254	$ 171,871	$ 225,821	$ 561,438 (1)	$ 657,742	$ 699,078	$ 693,335
Restricted:								
Debt service	-	-	2,811	3,998	4,852	6,498	7,446	23,355
Fire services	-	-	352	134	-	-	-	-
Capital projects	-	-	9,008	12,166	18,754	10,921	20,312	31,777
Impact fee programs	-	-	-	-	-	12,429 (2)	12,343	-
Public safety programs	-	-	6,062	3,727	-	1,391	1,851	-
Judicial programs	-	-	-	250	268	133	46	-
Unrestricted:	66,356	63,743	55,995	63,187	64,310	35,991	23,912	28,316
Total governmental activities net assets	$ 160,541	$ 184,997	$ 246,099	$ 309,283	$ 649,622	$ 725,105	$ 764,988	$ 776,783
BUSINESS-TYPE ACTIVITIES								
Invested in capital assets, net of related debt	$ 102,064	$ 126,946	$ 149,348	$ 178,264	$ 212,336	$ 234,720	$ 236,780	$ 236,145
Restricted	8,877	13,507	880	2,597	2,695	1,738	2,418	4,075
Unrestricted	5,814	1,123	25,238	31,506	49,403	59,703	57,755	45,253
Total business-type activities net assets	$ 116,755	$ 141,576	$ 175,466	$ 212,367	$ 264,434	$ 296,161	$ 296,953	$ 285,473
PRIMARY GOVERNMENT								
Invested in capital assets, net of related debt	$ 196,249	$ 248,200	$ 321,219	$ 404,085	$ 773,774	$ 892,462	$ 935,858	$ 929,480
Restricted	8,877	13,507	19,113	22,872	26,569	33,110	44,416	59,207
Unrestricted	72,170	64,866	81,233	94,693	113,713	95,694	81,667	73,569
Total primary government net assets	$ 277,296	$ 326,573	$ 421,565	$ 521,650	$ 914,056	$ 1,021,266	$ 1,061,941	$ 1,062,256

Note: The County adopted GASB 34 in 2002. Data for years prior to this are not available.
(1) Retroactive infrastructure was added in 2006.
(2) Impact fee programs are included in capital projects in prior years.

FORSYTH COUNTY, GEORGIA

CHANGES IN NET ASSETS
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009	
EXPENSES									
Governmental activities:									
General Government	$ 5,711	$ 6,348	$ 7,911	$ 5,636	$ 11,914	$ 37,603	$ 29,262	$ 17,246	(1)
Judicial	6,511	7,178	7,728	8,141	9,543	10,678	11,679	11,618	
Public Safety	24,357	27,752	32,055	36,439	43,327	50,289	62,991	61,072	
Public Works	9,265	10,833	13,051	16,866	27,449	9,289	16,198	15,913	
Health and Welfare	3,309	1,474	1,645	1,736	2,138	2,409	3,059	2,483	
Culture and Recreation	7,543	7,482	8,692	10,071	10,684	12,081	13,568	15,689	
Housing and Development	3,117	3,195	3,479	4,107	5,094	6,759	7,168	5,717	
Interest and paying agent fees	2,713	1,721	1,497	1,809	1,763	1,828	2,043	6,400	(2)
Total governmental activities expenses	62,526	65,983	76,058	84,805	111,912	130,936	145,968	136,138	
Business-type activities:									
Water and sewer	18,730	19,523	20,602	24,629	48,518	39,617	38,322	32,521	
Solid waste	611	408	429	1,571	835	557	985	599	
Total business-type activities expenses	19,341	19,931	21,031	26,200	49,353	40,174	39,307	33,120	
Total primary government expenses	$ 81,867	$ 85,914	$ 97,089	$ 111,005	$ 161,265	$ 171,110	$ 185,275	$ 169,258	
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
General Government	$ 2,485	$ 3,554	$ 4,524	$ 545	$ 464	$ 14,886	$ 11,699	$ 6,472	
Judicial	2,678	4,663	5,726	3,843	3,547	4,375	4,184	4,553	
Public Safety	4,234	2,610	2,885	4,837	5,390	6,185	6,280	5,194	
Public Works	534	10	164	113	100	20	181	1,132	
Health and Welfare	13	-	-	-	2	8	26	67	
Culture and Recreation	649	937	999	5,750	5,981	1,534	1,816	1,868	
Housing and Development	4,071	4,901	5,179	6,796	7,456	364	381	2,588	
Interest and paying agent fees	-	-	-	-	-	-	-	-	
Total charges for services	14,664	16,675	19,477	21,884	22,940	27,372	24,567	21,874	
Operating grants and contributions	857	1,076	1,348	1,611	1,756	1,778	1,784	3,084	
Capital grants and contributions	18,740	15,180	26,101	19,253	46,266	58,620	43,006	3,967	(3)
Total governmental activities program revenues	34,261	32,931	46,926	42,748	70,962	87,770	69,357	28,925	
Business-type activities:									
Charges for services:									
Water and sewer	17,378	13,453	15,570	19,129	25,721	41,677	20,150	28,408	
Solid waste	318	499	475	637	684	608	929	1,492	
Total charges for services	17,696	13,952	16,045	19,766	26,405	42,285	21,079	29,900	
Operating grants and contributions	20	31	-	-	8	8	12	-	
Capital grants and contributions	6,472	16,220	39,919	42,652	50,472	26,100	15,548	5,565	
Total business-type activities program revenues	24,188	30,203	55,964	62,418	76,885	68,393	36,639	35,465	
Total primary government program revenues	$ 58,449	$ 63,134	$ 102,890	$ 105,166	$ 147,847	$ 156,163	$ 105,996	$ 64,390	

(continued)

FORSYTH COUNTY, GEORGIA

CHANGES IN NET ASSETS
Last Eight Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue								
Governmental activities	$ (28,265)	$ (33,052)	$ (29,132)	$ (42,057)	$ (40,950)	$ (43,166)	$ (76,611)	$ (107,213)
Business-type activities	4,847	10,272	34,933	36,218	27,532	28,219	(2,668)	2,345
Total primary government net expense	$ (23,418)	$ (22,780)	$ 5,801	$ (5,839)	$ (13,418)	$ (14,947)	$ (79,279)	$ (104,868)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental activities:								
Taxes								
Property Taxes	$ 18,622	$ 22,187	$ 33,523	$ 38,979	$ 42,940	$ 42,310	$ 49,433	$ 63,209
Sales Taxes	36,475	38,055	43,890	51,791	59,202	59,680	54,334	46,539
Insurance premium taxes	-	3,591	3,885	4,149	4,348	4,572	4,683	4,616
Other taxes	6,980	5,377	4,332	5,677	7,013	5,702	4,983	2,810
Total taxes	62,077	69,210	85,630	100,596	113,503	112,264	113,433	117,174
Unrestricted grants and contributions	540	920	1,427	1,480	1,493	1,467	1,667	-
Investment earnings	3,733	1,318	1,679	2,861	4,937	5,014	2,684	1,069
Miscellaneous	55	165	(78)	233	98	-	-	2,673
Gain on sale of capital assets	(3)	(287)	-	69	119	56	103	-
Transfers	(11,680)	(13,818)	1,577	-	(434)	-	-	-
Total governmental activities	54,722	57,508	90,235	105,240	119,716	118,801	117,887	120,916
Business-type activities:								
Investment earnings	1,545	851	533	684	2,279	3,509	3,460	594
Gain on sale of capital assets	61	(120)	-	-	-	-	-	-
Transfers	11,680	13,818	(1,577)	-	434	-	-	-
Total business-type activities	13,286	14,549	(1,044)	684	2,713	3,509	3,460	594
Total primary government	$ 68,008	$ 72,057	$ 89,191	$ 105,924	$ 122,429	$ 122,310	$ 121,347	$ 121,510
CHANGE IN NET ASSETS								
Governmental activities	$ 26,457	$ 24,456	$ 61,103	$ 63,182	$ 78,766	$ 75,635	$ 41,276	$ 13,703 (3)
Business-type activities	18,133	24,821	33,889	36,902	30,245	31,728	792	2,939
Total primary government	$ 44,590	$ 49,277	$ 94,992	$ 100,085	$ 109,011	$ 107,363	$ 42,068	$ 16,642

Note: The County adopted GASB 34 in 2002. Data for years prior to this are not available.

(1) In prior year's the County has reported depreciation expense as general governmental costs; in 2009 depreciation was allocated amongst the functions.

(2) 2009 was the first year of interest payments on the new 2008 series bonds.

(3) Due to the current economy, the County received significantly less in donated assets for 2009. Donations were down over $35 million from 2008.

FORSYTH COUNTY, GEORGIA

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
General fund											
Reserved	$ 137	$ 853	$ 405	$ 47	$ -	$ 808	$ 292	$ 651	$ 173	$ 14,736	(1)
Unreserved	32,420	29,812	30,019	35,036	42,789	48,238	40,857	33,083	27,026	-	(1)
Total general fund	$ 32,557	$ 30,665	$ 30,424	$ 35,083	$ 42,789	$ 49,046	$ 41,149	$ 33,734	$ 27,199	$ 14,736	
All other governmental funds											
Reserved	$ 18,877	$ 11,209	$ 5,159	$ 1,797	$ 4,875	$ 16,298	$ 24,150	$ 30,361	$ 127,499	$ 106,055	(2)
Unreserved, designated	-	-	-	-	-	-	-	-	-	8,300	
Unreserved, reported in:											
Special revenue funds	3,439	4,044	4,854	6,025	6,110	3,977	1,526	669	1,883	1,935	
Debt service funds	(10)					-	-	-	-	-	
Capital projects funds	32,860	22,152	17,741	12,714	9,010	1,048	6,984	(8,597)	(7,123)	417	
Total unreserved	36,289	26,196	22,595	18,739	15,120	5,025	8,510	(7,928)	(5,240)	10,652	
Total all other governmental funds	$ 55,166	$ 37,405	$ 27,754	$ 20,536	$ 19,995	$ 21,323	$ 32,660	$ 22,433	$ 122,259	$ 116,707	
Total reserved	$ 19,014	$ 12,062	$ 5,564	$ 1,844	$ 4,875	$ 17,106	$ 24,442	$ 31,012	$ 127,672	$ 120,791	
Total unreserved	$ 68,709	$ 56,008	$ 52,614	$ 53,775	$ 57,909	$ 53,263	$ 49,367	$ 25,155	$ 21,786	$ 10,652	
Total all funds	$ 87,723	$ 68,070	$ 58,178	$ 55,619	$ 62,784	$ 70,369	$ 73,809	$ 56,167	$ 149,458	$ 131,443	

(1) The County's policy is to establish a operating reserve equal to 25% of the next fiscal year's budget. This amount was not reported prior to 2009.
(2) The County issued $118 million of bonds in 2008 which continue to be expended thus lowering the reserves.

FORSYTH COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes (see table 5)	$ 51,710	$ 57,640	$ 61,894	$ 68,226	$ 85,169	$ 97,109	$ 109,431	$ 112,195	$ 112,641	$ 116,381
Licenses and permits	4,389	4,418	4,381	5,251	10,110	13,318	13,902	11,023	6,818	3,784
Intergovernmental	2,138	7,684	6,700	4,300	5,611	5,170	16,589	6,506	7,495	5,248
Fines and forfeitures	2,286	2,594	2,648	2,616	3,110	2,946	4,049	3,376	4,719	4,089
Charges for services	5,337	4,920	7,395	8,657	9,458	9,190	10,019	12,012	12,996	13,751
Contributions and donations	400	2,127	543	1,207	688	273	1,603	9,180	3,324	140
Investment earnings	6,114	5,156	3,085	1,102	1,475	2,550	4,329	3,936	2,459	1,377
Miscellaneous	57	(16)	141	267	92	492	450	505	484	2,743
Total revenues	72,431	84,523	86,787	91,626	115,713	131,048	160,372	158,733	150,935	147,513
EXPENDITURES										
General government	6,208	4,424	5,258	5,801	6,933	7,365	8,065	10,328	13,396	15,216
Judicial	4,253	5,740	6,428	7,048	7,755	8,145	9,541	10,183	10,539	11,107
Public safety	15,812	18,883	24,088	26,850	31,785	36,748	43,559	48,417	54,340	56,003
Public works	4,239	5,302	6,158	6,486	6,547	7,964	9,160	7,701	6,610	6,616
Public health and welfare	665	1,115	2,927	1,389	1,574	1,648	2,138	2,307	2,678	2,410
Recreation and culture	4,210	5,774	6,506	7,368	8,277	9,575	10,671	11,734	12,022	12,095
Housing and development	2,265	3,227	3,489	3,478	3,563	4,245	4,954	6,389	6,311	5,478
Intergovernmental	2,821	3,007	2,938	3,085	3,617	4,182	10,796	13,145	13,889	-
Capital Outlay	24,237	44,919	25,347	18,598	36,089	41,223	52,398	63,472	56,110	54,731
Principal on long-term debt	-	-	-	30	1,078	693	888	1,098	1,343	1,405
Interest and paying agent fees	246	2,383	2,580	1,913	1,126	1,643	1,620	1,576	1,518	5,670
Bond issuance costs	516	-	25	(2)	429	-	-	-	834	-
Landfill closure/postclosure costs	63	46	70	48	-	-	-	-	-	-
Total expenditures	65,535	94,820	85,814	82,092	108,773	123,431	153,790	176,350	179,590	170,731
Excess of revenues over (under) expenditures	6,896	(10,297)	973	9,534	6,940	7,617	6,582	(17,617)	(28,655)	(23,218)
OTHER FINANCING SOURCES (USES)										
Sale of County Property	62	-	-	34	-	69	275	56	290	89
Transfers in	3,259	10,795	5,858	5,194	5,278	7,771	20,631	17,268	6,017	12,023
Transfers out	(7,477)	(20,564)	(16,723)	(19,364)	(5,482)	(7,871)	(24,048)	(17,196)	(5,691)	(12,023)
Proceeds from bond refunding	32,973	-	-	-	29,045	-	-	-	-	-
Proceeds from general obligation bond	-	-	-	-	-	-	-	-	118,000	-
Proceeds from installment sale	-	-	-	1,042	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	1,989	-	-	-	3,330	-
Payments to refunded bond escrow agent	-	-	-	-	(30,605)	-	-	-	-	-
Total other financing sources (uses)	28,817	(9,769)	(10,865)	(13,094)	225	(31)	(3,142)	128	121,946	89
Net change in fund balances	$ 35,713	$ (20,066)	$ (9,892)	$ (3,560)	$ 7,165	$ 7,586	$ 3,440	$ (17,489)	$ 93,291	$ (23,129)
Debt service as a percentage of noncapital expenditures	1.8%	4.8%	4.3%	3.1%	3.6%	2.8%	2.5%	2.4%	3.0%	6.1%

FORSYTH COUNTY, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Taxes	Sales Taxes	Insurance Premium Tax	Other Taxes	Total
2000	$ 12,594	$ 34,880	$ 1,609	$ 2,627	$ 51,710
2001	13,839	37,240	3,032	3,529	57,640
2002	18,438	36,475	3,348	3,633	61,894
2003	22,204	38,055	3,591	4,376	68,226
2004	33,061	43,890	3,885	4,333	85,169
2005	35,492	51,791	4,149	5,677	97,109
2006	38,868	59,202	4,348	7,013	109,431
2007	42,240	59,680	4,572	5,703	112,195
2008	48,639	54,334	4,683	4,984	112,640
2009	62,416	46,539	4,616	2,810	116,381

Note: Other taxes include real estate & recording taxes, franchise taxes, alcoholic beverage taxes and hotel/motel taxes.
Sales taxes experienced a decrease during 2008 and 2009 due to the economic downturn.

FORSYTH COUNTY, GEORGIA

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

		Real Property				Personal Property				Less Exemptions:					
Fiscal Year	Tax Year	Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment (4)	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
2001	2000	$ 2,410,093	$ 138,525	$ 502,106	$ 55,103	$ 448,426	$ 335,842	$ 15,643	$ 38,979	$ 197,971	$ 96,416	$ 3,650,330	2.000	$ 9,125,825	40.00%
2002	2001	2,692,420	135,262	581,359	57,271	491,455	380,300	18,259	43,490	233,326	105,814	4,060,676	2.980	10,151,690	40.00%
2003	2002	3,630,785	186,734	753,239	60,831	528,555	441,618	16,814	42,761	623,417	111,054	4,926,866	2.980	12,317,165	40.00%
2004	2003	3,888,326	197,676	810,274	73,800	490,902	451,456	16,051	37,947	678,213	134,837	5,153,382	4.300	12,883,455	40.00%
2005	2004	4,325,570	184,208	852,079	83,813	480,814	463,754	16,501	42,324	709,318	124,913	5,614,832	4.184	14,037,080	40.00%
2006	2005	4,979,654	242,539	979,958	86,498	534,441	455,840	16,416	43,989	802,641	141,228	6,395,466	4.000	15,988,665	40.00%
2007	2006	5,792,701	306,197	1,136,789	92,168	577,969	460,977	16,299	46,622	961,518	163,164	7,305,040	3.834	18,262,600	40.00%
2008	2007	6,536,781	311,729	1,268,831	93,401	660,886	524,450	15,805	54,976	1,044,084	186,194	8,236,581	3.834	20,591,453	40.00%
2009	2008	7,150,559	305,717	1,378,266	100,903	704,613	565,961	14,103	59,863	1,208,009	181,577	8,890,399	3.834	22,225,998	40.00%
2010	2009	7,176,280	308,467	1,399,588	111,511	685,241	596,888	14,421	50,769	537,513	858,505	8,947,147	3.834	22,367,867	40.00%

Source: Georgia Department of Revenue and Forsyth County Tax Assessor's Department

(1) Includes conservation use and preferential property.
(2) Includes aircraft, boats, miscellaneous personal property, timber and heavy equipment.
(3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.
(4) Includes furniture and fixtures.

FORSYTH COUNTY, GEORGIA

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS)
Last Ten Fiscal Years
(Mills - rate per $1,000 of taxable assessed value)

		Forsyth County				School District			State	Total
Fiscal Year	Tax Year	Operating Millage	Fire Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Operating Millage	Direct & Overlapping Rates
2000	2000	2.630	1.000	0.000	3.630	14.700	2.000	16.700	0.250	20.580
2001	2001	2.000	0.993	0.500	3.493	15.100	1.980	17.080	0.250	20.823
2002	2002	2.980	1.000	0.500	4.480	15.082	1.978	17.060	0.250	21.790
2003	2003	2.980	1.000	0.500	4.480	15.500	1.980	17.480	0.250	22.210
2004	2004	4.300	1.700	0.500	6.500	15.500	1.978	17.478	0.250	24.228
2005	2005	4.184	1.654	0.487	6.325	15.500	1.978	17.478	0.250	24.053
2006	2006	4.000	1.581	0.466	6.047	14.708	1.878	16.586	0.250	22.883
2007	2007	3.834	1.515	0.446	5.795	14.708	1.878	16.586	0.250	22.631
2008	2008	3.834	1.765	0.446	6.045	14.395	1.838	16.233	0.250	22.528
2009	2008	3.834	1.765	1.196	6.795	15.395	1.418	16.813	0.250	23.858
2010	2009	3.834	1.841	1.196	6.871	15.395	1.418	16.813	0.250	23.934

Source: State Department of Revenue

Overlapping rates are those of local and county governments that apply to property owners within the County. Not all potential overlapping rates apply to all County property owners (e.g. the rates for special districts apply only proportion of the government's property owners whose property is located within the geographic boundaries of the special district.) Currently, there are no special districts in the county that levy a property tax.

FORSYTH COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
December 31, 2009
(amounts expressed in thousands)

Taxpayer	Type of Business	2009 Taxable Assessed Value	2009 Rank	2009 Percentage of Total Taxable Assessed Value	2000 Taxable Assessed Value	2000 Rank	2000 Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 46,512	1	0.52%	$ 42,953	1	1.18%
Georgia Transmission Corporation	Power Transfer Utility	24,283	2	0.27%	-	-	-
Siemens Energy & Automation	Manufacture	22,174	3	0.25%	-	-	-
United Parcel Service	Delivery Service	20,253	4	0.23%	-	-	-
Scientific Games, Inc.	Printed Lottery Tickets	18,085	5	0.20%	24,321	5	0.67%
Bellsouth Telecommunications	Telephone Utility	13,551	6	0.15%	35,734	2	0.98%
Avenue Forsyth, LLC	Shopping Complex	13,329	7	0.15%	-	-	-
Solvay Advanced Polymers, LLC	Plastic Manufacturer	12,839	8	0.14%	-	-	-
Northside Hospital, Inc.	Healthcare Facility	11,858	9	0.13%	-	-	-
Hendon/Atlanta RIM Johns Creek, LLC	Investment Company	11,231	10	0.13%	-	-	-
Amoco Performance Products	Research & Dev. of Plastics & Polymers	-	-	-	25,716	3	0.70%
JDN Realty	Commercial Real Estate Development	-	-	-	24,632	4	0.67%
Hoover Precision Products	Steel Ball Bearings	-	-	-	18,998	6	0.52%
Tyson Foods, Inc.	Poultry Products	-	-	-	18,861	7	0.52%
American Proteins, Inc.	Poultry Waste Recycling	-	-	-	17,962	8	0.49%
Lowe's	Hardware & Home Repairs	-	-	-	17,687	9	0.48%
Technology Park/Atlanta Inc.	Commercial Real Estate Development	-	-	-	22,166	10	0.61%
Totals		$ 194,115		2.18%	$ 249,030		6.82%

Source: Forsyth County Tax Commissioner

FORSYTH COUNTY, GEORGIA

TAXABLE SALES
Last Ten Fiscal Years
(amount expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taxable sales	$ 1,885,842	$ 2,013,715	$ 1,972,783	$ 2,058,220	$ 2,373,421	$ 2,800,566	$ 3,200,315	$ 3,226,379	$ 2,904,259	$ 2,440,225
County direct sales tax rate	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Portion of taxes collected for City of Cumming, estimated										
LOST (1)	2,837	3,034	2,981	3,109	3,578	4,220	4,804	4,848	4,314	3,995
SPLOST (2)	2,821	3,007	2,938	3,065	3,542	4,182	4,797	4,831	2,880	1,141

Source:
Rates - State Department of Revenue (DOR)
Taxable sales - These figures are unavailable. They have been estimated based on the amount of taxes received from the DOR.

Notes:
(1) The Local Option Sales Tax (LOST) is approved by the voters of the County. It is collected until repealed. Property taxes are reduced by the amount of LOST collected. The LOST may be used for any purpose. A portion of this tax is distributed directly to the City by DOR. The portion that the City receives is renegotiated every 10 years. The last renegotiation took place in 2002. The portio allocated to the City was unchanged from the prior 10 year distribution agreement.

(2) The Special Purpose Local Option Sales Tax is approved periodically by the voters of the County. It is limited to use for capital outlay projects or to repay debt specified in the resolution. It is collected for a number of years (currently 6) or until the amount specified in the resolution is collected. By agreement, a portion of the tax received by the County from DOR is earmarked for City projects. A report on the expenditures of SPLOST is included in the Comprehensive Annual Financial Report.

FORSYTH COUNTY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Tax Year	Tax Due Date	Taxes Levied for the Tax Year (Original Levy)	Adjustments	Interest, Costs, & Penalties	Total Adjusted Levy	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date		Uncollected Balance
							Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy	
2001	2000	01/16/01	$ 12,980	$ (67)	$ 484	$ 13,397	$ 6,567	50.59%	$ 6,829	$ 13,396	99.99%	$ 1
2002	2001	01/18/02	17,568	384	567	18,519	6,145	34.98%	12,372	18,517	99.99%	2
2003	2002	01/24/03	21,460	619	814	22,893	10,393	48.43%	12,499	22,892	100.00%	1
2004	2003	01/14/04	31,488	1,356	692	33,536	17,958	57.03%	15,575	33,533	99.99%	3
2005	2004	11/15/04	34,456	1,491	763	36,710	33,637	97.62%	3,062	36,699	99.97%	11
2006	2005	11/15/05	37,774	1,439	773	39,986	37,103	98.22%	2,867	39,970	99.96%	16
2007	2006	11/15/06	41,808	1,404	983	44,195	40,538	96.96%	3,577	44,115	99.82%	80
2008	2007	11/15/07	48,722	1,274	1,230	51,226	47,192	96.86%	3,063	50,255	98.10%	971
2009	2008	11/15/08	60,011	1,089	1,360	62,460	54,665	91.09%	6,613	61,278	98.11%	1,182
2010	2009	11/15/09	62,417	(613)	61	61,865	57,274	91.76%	-	57,274	92.58%	4,591

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2009 are recorded as revenues in the financial statements in 2010 since they are levied to finance that year's expenditures.
Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

FORSYTH COUNTY, GEORGIA

TOP 10 WATER CUSTOMERS
December 31, 2009
(amounts expressed in thousands)

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	51,332,240	$ 269,750	1.50%
Forsyth County Parks/Rec	Park and Recreation	30,637,800	101,218	0.56%
Truby Inc	Private Water System	26,295,510	97,884	0.55%
A & A Water Company	Private Water System	18,961,100	75,064	0.42%
Cousins Properties	Commercial Developer	14,225,250	20,103	0.11%
Carlyle Centennill LLC	Apartments	13,759,900	55,682	0.31%
Pine Ridge Associates LLC	Private Water System	11,193,900	46,074	0.26%
LaFarge Aggregates	Rock Quarry	9,615,350	43,778	0.24%
Oxford Properties LLC	Apartments	9,363,000	41,021	0.23%
Scientific Games	Manufacturing	8,937,300	40,477	0.23%
All other customers			17,160,631	95.59%
Total Billing			$ 17,951,682	

FORSYTH COUNTY, GEORGIA

TOP 10 SEWER CUSTOMERS
December 31, 2009

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	25,482,545	$ 136,459	1.96%
Oxford Properties LLC	Apartments	9,253,000	45,225	0.65%
Scientific Games	Manufacturing	8,904,800	41,126	0.59%
McGinnis Ferry LLC	Office Bldgs	8,429,770	14,595	0.21%
Cousins Properties	Commercial Developer	5,096,450	21,187	0.30%
McDonald Winward Partner	Manufacturing	4,744,700	22,453	0.32%
Solvay Advanced Polymers	Manufacturing	4,537,600	22,622	0.33%
Developer Diversified Re	Shopping Center	3,666,500	17,966	0.26%
Mimms Enterprises Inc.	Shopping Center/Manufacturing	3,662,270	18,639	0.27%
Siemens Energy & Automation	Manufacturing	3,104,624	7,471	0.11%
All other customers			6,601,246	
Total Billing			$ 6,948,989	

FORSYTH COUNTY, GEORGIA

WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2009

METER SIZE (1)	TAP FEE EXISTING LINES	MINIMUM MONTHLY CHARGES
3/4	$ 1,800	$ 12
1	3,300	15
1 1/2	7,500	20
2	10,000	30
3	18,900	90
4	29,400	125
6	68,200	250
8	101,900	450

AVERAGE MONTHLY BILLING FOR A RESIDENTIAL CUSTOMER USING 9000 GALLONS OF WATER ON A 3/4 " DOMESTIC METER PER MONTH

WATER	$ 42.62
SEWER	$ 53.56
TOTAL	$ 96.18

Source: The Water Rate Resolution adopted Janurary 2009.
(1) Meter sizes are in inches.

FORSYTH COUNTY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds (2)	Capital Leases (3)	Notes Payable	Total	Revenue Bonds (2)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
2000	$ 32,780	$ 4,794	$ -	$ 37,574	$ 74,205	$ 111,779	3.02%	$ 1,113	
2001	32,780	4,348	-	37,128	74,835	111,963	2.91%	1,030	
2002	32,780	4,381	-	37,161	96,500	133,661	3.49%	1,151	
2003	32,750	3,458	1,042	37,250	85,970	123,220	3.09%	1,001	
2004	33,875	2,129	833	36,837	73,940	110,777	2.54%	851	
2005	33,390	1,068	625	35,083	123,850	158,933	3.26%	1,148	
2006	32,710	837	417	33,964	122,160	156,124	2.82%	1,053	
2007	31,820	335	208	32,363	169,340	201,703	3.24%	1,260	
2008	148,685	7,777	-	156,462	166,660	323,122	4.92%	2,018	
2009	$ 147,280	$ 7,777	$ -	$ 155,057	$ 163,495	$ 318,552	4.28%	$ 1,825	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.
(2) The amount outstanding does not include unamortized issue premium or unamortized amount deferred on refunding which are included on the statement of net assets as part of
(3) Includes Certificates of Participation.

FORSYTH COUNTY, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2000	$ 32,780	$ -	$ 32,780	0.36%	$ 326
2001	32,780	345	32,435	0.32%	298
2002	32,780	727	32,053	0.26%	276
2003	32,750	1,730	31,020	0.24%	252
2004	33,875	2,811	31,064	0.22%	239
2005	33,390	3,998	29,392	0.18%	212
2006	32,710	5,396	27,314	0.15%	184
2007	31,820	7,010	24,810	0.12%	155
2008	148,685	8,406	140,279	0.63%	876
2009	147,820	23,355	124,465	0.56%	713

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
(2) See the Schedule of Demographic and Economic Statistics for population data.

FORSYTH COUNTY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of December 31, 2009
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 434,406	100.00%	$ 434,406
City of Cumming	-	100.00%	-
Subtotal, overlapping debt	434,406		434,406
Forsyth County direct debt	147,280	100.00%	147,280
Total direct and overlapping debt	$ 581,686		$ 581,686

Sources:
Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.
Debt outstanding provided by the County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

FORSYTH COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed value of property	$ 3,944,717	$ 4,399,816	$ 5,661,337	$ 5,966,432	$ 6,449,063	$ 7,339,335	$ 8,429,722	$ 9,466,859	$ 10,279,985	$ 10,343,165
Debt limit (10% of total assessed value)	394,472	439,982	566,134	596,643	644,906	733,934	842,972	946,686	1,027,999	1,034,317
Amount of Debt applicable to limit:										
General obligation bonds	32,780	32,780	32,780	32,750	33,875	33,390	32,710	31,820	148,685	147,280
Less: Resources restricted to paying principal	-	(345)	(727)	(1,730)	(2,811)	(3,998)	(5,396)	(7,010)	(8,406)	(23,355)
Total net debt applicable to limit	32,780	32,435	32,053	31,020	31,064	29,392	27,314	24,810	140,279	123,925
Legal debt margin	$ 361,692	$ 407,547	$ 534,081	$ 565,623	$ 613,842	$ 704,542	$ 815,658	$ 921,876	$ 887,720	$ 910,392
Total net debt applicable to the limit as a percentage of debt limit	8.31%	7.37%	5.66%	5.20%	4.82%	4.00%	3.24%	2.62%	13.65%	11.98%

FORSYTH COUNTY, GEORGIA

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross Water and Sewer Revenues	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2000 [1]	$ 15,225,473	$ 9,426,153	$ 5,799,320	$ 1,790,000	$ 2,801,868	$ 4,591,868	1.26
2001 [1]	16,757,039	10,672,469	6,084,570	440,000	2,351,441	2,791,441	2.18
2002 [1]	16,801,183	11,949,181	4,852,002	1,125,000	2,253,540	3,378,540	1.44
2003 [1]	32,732,790	12,622,448	20,110,342	10,530,000	4,251,172	14,781,172	1.36
2004 [1]	42,815,787	14,004,013	28,811,774	12,030,000	3,928,599	15,958,599	1.81
2005 [1]	42,842,827	16,265,013	26,577,814	1,315,000	4,141,788	5,456,788	4.87
2006	50,395,935	17,928,742	32,467,193	1,690,000	5,357,440	7,047,440	4.61
2007 [1]	41,676,642	24,519,716	17,156,926	1,755,000	5,255,984	7,010,984	2.45
2008 [1]	26,557,039	21,327,882	5,229,157	2,680,000	7,258,004	9,938,004	0.53
2009	28,407,703	20,330,102	8,077,601	3,165,000	6,658,298	9,823,298	0.82

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
(1) Include operating revenues plus a portion of water and sewer connectin fees in excess of cost which is shown as contributions in the financial statements
(2) Total operating expenses exclusive of depreciation. Interest expense is not included in operating expenses.
(3) Excludes principal and interest payments required by SPLOST revenues

FORSYTH COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands)[1]	Per Capita Personal Income	Median Age	Education Level as a Percent of Population 25 yrs & over		School Enrollment	Unemployment Rate
					High School or Higher	Bachelor's Degree or Higher		
2000	100,467	$ 3,696,712	$ 36,795	35	85.7%	34.6%	15,624	2.40%
2001	108,680	3,843,570	35,366	n/a	n/a	n/a	17,173	2.70%
2002	116,127	3,831,440	32,994	n/a	n/a	n/a	18,696	3.80%
2003	123,112	3,990,938	32,417	n/a	n/a	n/a	20,408	3.50%
2004	130,225	4,364,142	33,512	34	n/a	n/a	21,933	3.40%
2005	138,386	4,879,176	35,258	34	89.5%	44.2%	23,497	3.50%
2006	148,196	5,528,029	37,302	n/a	n/a	n/a	25,882	3.20%
2007	158,369	6,225,221	39,308	n/a	n/a	n/a	28,388	3.20%
2008	160,098	6,571,924	41,049	34	90.5%	43.7%	30,763	4.80%
2009	174,520	7,450,496	42,691	n/a	n/a	n/a	32,495	7.90%

Data sources:
- Bureau of the Census/County Regional Planning Commission
- U.S. Census Bureau
- U.S. Department of Commerce - Bureau of Economic Analysis (BEA)*
- State Department of Labor
- State Department of Commerce
- Georgia Department of Education

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

(1) Personal income statistics provided by BEA (2000-2009: New estimates for 2008 and revisions for 1969-2007 were released on April 22, 2010. These estimates incorporate the results of the comprehensive revision to the national income and product accounts released in July 2009 and of the comprehensive revision to the state income accounts released in October 2009. Additionally, population was revised back to the year 2000. The next local area release is scheduled for August 9, 2010.

FORSYTH COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
Current Year and Eight Years Ago

	2009			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County School	4,196	1	5.30%	2,195	1	3.68%
Northside Hospital - Forsyth	1,380	2	1.74%	275	10	0.46%
Tyson Foods, Inc.	1,200	3	1.51%	1,400	3	2.35%
Forsyth County Government	1,113	4	1.41%	721	4	1.21%
Scientific Games	1,050	5	1.33%	650	5	1.09%
Koch Foods	1,015	6	1.28%	-		-
Siemens Energy & Automation, Inc.	532	7	0.67%	1,600	2	2.68%
Kaplan Higher Education Corp.	337	8	0.43%	-		-
Arris Group, Inc.	315	9	0.40%	-		-
Healthport Technologies	290	10	0.37%	-		-
BP/Amoco Polymers Group	-		-	550	6	0.92%
L3 Communications	-		-	345	7	0.58%
Claris	-		-	300	8	0.50%
Firearms Training Systems, Inc	-		-	300	9	0.50%
All other employers	67,780		85.57%	51,361		86.04%
Total	79,208		100.00%	59,697		100.00%

Source: Cumming-Forsyth Chamber of Commerce, Bond Documents and Forsyth County Planning and Development.

Note: 2001 Georgia Department of Labor Statistics - Latest statistical history available.

FORSYTH COUNTY, GEORGIA

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

	Full-time Equivalent Employees as of December 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
General Government (1)	106	118	130	133	139	163	183	204	202	173
Judicial	63	71	74	86	89	87	93	103	106	108
Public Health and Welfare	6	7	9	10	10	13	21	22	25	23
Public Safety										
Police	185	188	223	230	261	281	313	349	381	367
Fire	57	80	93	100	111	124	140	154	153	140
E-911 and Coroners Office	26	25	26	27	30	31	35	37	42	41
Public Works	76	70	77	75	81	80	84	83	87	80
Recreation and Culture	33		49	50	52	56	59	65	64	60
Housing and Development	36	38	43	42	46	53	55	67	65	38
Solid Waste	9	11	8	8	8	7	8	10	9	9
Water & Sewer	49	54	62	61	71	70	74	84	83	74
Total	646	662	794	822	898	965	1,065	1,178	1,217	1,113

Source: Forsyth County's Personnel Services Department

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.
(1) Includes Internal Service departments that fall under the general government category.

FORSYTH COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sheriff										
Physical arrests	4,085	4,059	4,140	4,367	4,580	4,556	5,961	6,202	6,251	6,163
Traffic violations	12,660	12,550	11,420	14,522	16,466	16,475	19,363	30,608	36,412	37,305
Fire										
Number of calls answered	6,803	7,025	7,174	7,859	8,431	9,313	9,761	10,530	11,075	10,934
Inspections	2,871	2,746	3,496	3,500	3,059	2,619	5,429	4,959	3,948	2,707
Highways and streets										
Street resurfacing (miles)	30	33	41	44	41	63	52	57	64	69
Potholes repaired	380	n/a	645	742	394	429	383	357	420	503
Sanitation										
Refuse collected (tons/day)	n/a	36	13	7	7	7	7	6	6	6
Recyclables collected (tons/day)	n/a	n/a	3	3	3	4	4	4	6	6
Water										
New connections	2,575	2,661	1,516	2,157	2,168	3,098	3,059	2,570	630	591
Water mains breaks	n/a	n/a	43	41	40	58	63	66	66	54
Average daily consumption (thousands of gallons)	7,200	7,200	9,260	8,490	8,560	8,780	10,883	10,755	9,197	9,998
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,200	1,300	1,700	1,900	2,000	2,522	3,422	3,461	3,982	3,805

Sources: Various county departments including Fire, Sheriff's Office, Engineering, Water and Sewer, and Solid Waste.

FORSYTH COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Sheriff:										
Precincts	3	3	2	2	2	2	2	2	2	2
Number of vehicles	128	136	165	165	196	212	210	247	292	318
Fire:										
Stations	15	15	15	15	15	15	15	15	15	13
Number of Vehicles	62	58	58	58	59	59	62	64	66	66
Highways and streets										
Streets (miles)	780	780	780	780	907	1,200	1,882	1,104	1,143	1,145
Traffic signals	7	2	4	2	5	6	6	49	54	61
Culture and recreation										
Parks acreage	300	320	340	1,140	1,334	1,334	1,603	1,642	1,642	2,500
Parks	7	8	9	11	11	13	46	16	16	17
Baseball/softball fields	28	45	50	44	44	44	47	47	47	48
Tennis courts	16	26	26	22	26	26	26	24	24	24
Soccer fields	7	11	11	11	12	12	12	12	12	12
Football fields	7	4	4	4	5	5	5	5	5	5
Playgrounds	6	8	9	9	9	9	12	12	12	12
Community centers	4	4	4	4	5	6	6	6	6	6
Water										
Water mains (miles)	660	690	719	747	785	833	877	912	924	932
Fire hydrants	4,977	5,022	5,059	5,121	5,179	5,389	5,754	6,100	6,215	6,230
Sewer										
Sanitary sewers (miles)	174	197	214	239	270	346	402	454	475	481

Sources: Various county departments.
Note: No capital asset indicators are available for the general government function.

FORSYTH COUNTY, GEORGIA

WATER SYSTEM STATISTICS
Last Ten Fiscal Years

Fiscal Year	Average Daily Demand (1)	Maximum Daily Demand (1)	Water System Accounts (2)	Sewer System Accounts (2)
2000	7.20	10.20	24,278	4,048
2001	7.20	9.30	26,904	4,464
2002	9.26	14.44	28,448	4,915
2003	8.49	12.20	30,536	5,864
2004	8.56	12.07	33,164	7,116
2005	8.78	11.11	36,189	11,006
2006	10.88	17.05	39,895	13,356
2007	10.76	15.81	42,655	14,818
2008	9.92	29.54	43,286	15,234
2009	10.35	19.60	43,908	15,029

(1) Millions of gallons per day (MGD).
(2) Number at year end.

Single Audit Section

2009 Comprehensive Annual Financial Report

FORSYTHCOUNTY

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

We have audited the 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 Forsyth County, Georgia (the "County") as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 10, 2010. Our report includes a reference to 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. Other auditors audited the financial statements of the Forsyth County Department of Public Health, as described in our report of the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and correct on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2009-1 through 2009-9, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-10 through 2009-12.

We noted certain matters that we reported to management of the County in a separate letter dated August 10, 2010.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, the State of Georgia and federal awarding and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 10, 2010

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

Compliance

We have audited the compliance of Forsyth County, Georgia (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Forsyth County, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-13 and 2009-14.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Forsyth County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Forsyth County, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2009-13 and 2009-14. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the members of the County Commission, management of the County and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Atlanta, Georgia
August 10, 2010

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Bullet Proof Vest Partnership Program	16.607	FY2006	$ 6,783
Bullet Proof Vest Partnership Program	16.607	zylon	6,821
Bullet Proof Vest Partnership Program	16.607	FY2007	1,995
Bullet Proof Vest Partnership Program	16.607	FY2008	7,980
Bullet Proof Vest Partnership Program	16.607	FY2009	15,119
			38,698
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.738	2009-SB-B9-3025	35,220
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-1082	18,800
			54,020
State Criminal Alien Assistance Program	16.606	2009-G6856-GA-AP	48,347
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C08-8-056	30,754
VOCA Victims Assistance Grant (District Attorney)	16.575	C08-8-055	47,647
VOCA Victims Assistance Grant (Sheriff)	16.575	C09-8-060	8,542
VOCA Victims Assistance Grant (District Attorney)	16.575	C09-8-061	16,371
			103,314
Passed through the Council of Juvenile Court Judges:			
Purchase of Service, Juvenile Offenders Program	16.540	06B-ST-0001	6,176
Purchase of Service, Juvenile Offenders Program	16.540	07B-ST-0001	640
			6,816
Total U.S. Department of Justice			251,195
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation			
Highway planning and construction	20.205	TEE 0006-00 (586)	2,368,359
Dial-A-Ride	20.509	MTG00-0123-00-156	95,733
Dial-A-Ride	20.509	T002912	88,100
			183,833
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2009-58-00826	81,820
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2010-58-00379	19,095
			100,915
Total U.S. Department of Transportation			2,653,107
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Legacy Link, Inc:			
Special Programs for the Aging: Title III, Part B	93.044	427-93-07070254-99	56,621
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	153,755
Nutrition Services Incentive	93.053	427-93-07070254-99	26,093
Special Programs for the Aging: Title III, Part C - ARRA	93.705	427-93-ARRA09010-99	3,168
Special Programs for the Aging: Title III, Part C - ARRA	93.707	427-93-ARRA09010-99	9,762
			249,399
Social Services Block Grant	93.667	427-93-07070254-99	36,547
Total U.S. Department of Health and Human Services			285,946

(Continued)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF THE INTERIOR			
Passed through the Georgia Department of Natural Resources:			
Land and Water Conservation Funds	15.916	13-00905	39,793
Total U.S. Department of the Interior			39,793
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
EMPG	97.042	P08-9-113 &P09-9-060	29,552
Total U.S. Department of Homeland Security			29,552
U.S. DEPARTMENT OF DEFENSE			
Flood Control Lands	12.112	N/A	147,516
Total U.S. Department of Defense			147,516
Total Expenditure of Federal Awards			$ 3,407,109

See accompanying note to schedule of expenditures of federal awards.

FORSYTH COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Forsyth County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes X no
Noncompliance material to financial statements noted?	X yes ____ no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ yes X no
Significant deficiencies identified not considered to be material weaknesses?	X yes ____ no
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	X yes ____ no

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ yes X no

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2009-1 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of the County.

Condition: Internal controls were not sufficient to detect material misstatements in the County's financial statements for the year ended December 31, 2008.

Context/Cause: During our audit for the year ended December 31, 2009, several material misstatements were identified that caused the need to restate opening fund balances/net assets (equity) for the year ended December 31, 2009. The nature and magnitude of these corrections for the prior period errors are as follows:

- In the General Fund an entry totaling approximately $10,172,000 of uncollectable receivables which should have been written off in the prior year.
- In the Capital Projects Fund entries totaling approximately $16,393,000 were required to properly report the opening fund balance to account for approximately $428,000 of revenues which were not available in prior years and should have been deferred at the fund level; approximately $10,172,000 of interfund payables which the fund did not have the ability to repay were written off and investments related to the 1998 GMA Lease Pool were not recorded and required an adjustment of approximately $5,793,000 to adjust the investments and related receivables.
- In the Water & Sewerage Authority entries totaling approximately $16,028,000 were required to properly report the opening net assets to account for approximately $862,000 of expenses which were incorrectly capitalized in the prior year and entries totaling approximately $15,166,000 were required to properly report the unearned revenues related to the advance capacity and sewer tap sales.
- On the government-wide statement of net assets adjustments of approximately $6,091,000 was required to properly report the beginning certificate of participation liability; approximately $5,793,000 to report the investments related to the 1998 GMA Lease Pool; and approximately $413,000 to remove compensated absences liabilities related to the County's business-type activities.
- In the Pension Trust Fund a restatement was required to properly report prior year revenue for contributions from the County that should have been accrued as of December 31, 2008. The net assets of the Pension Trust Fund were understated by approximately $626,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-1 Restatement of Prior Year Balances (Continued)

Effects: Audit adjustments of approximately $49,723,000 were needed to correctly report the opening balances of equity throughout many of the County's funds for the year ending December 31, 2009.

Recommendation: We recommend the County carefully review the financial statements and their applicable reporting requirements under generally accepted accounting principles to ensure that all information and financial data is being properly reported.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that the financial statements are properly reported.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-2 Receivables and Revenues

Criteria: Internal controls should be in place to ensure that the amounts reported as receivables and revenues are appropriate and properly valued.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's revenues and receivables.

Context/Cause: During our testing, certain audit adjustments were required to correct current year amounts. The nature of these adjustments are as follows:

- Revenues, receivables, and deferred revenue in the General Fund required adjustments totaling approximately $1,742,000 to correctly report balances relating to property taxes received and receivable as the full receivable was not properly reported ($642,000), to accrue sales tax receivables and revenues in accordance with the County's revenue recognition policy ($743,000) and to correct amounts due from agency funds for current year activity ($357,000).
- Revenues, receivables, and deferred revenue in the Fire Fund required adjustments totaling approximately $527,000 to correctly report balances relating to property taxes received and receivable as the full receivable was not properly reported ($446,000) and to correct amounts due from agency funds for the current year activity ($81,000).
- Revenues, receivables, and deferred revenue in the SPLOST Fund required adjustments totaling approximately $1,589,000 to correctly report balances relating to sales taxes receivables and deferred revenues due to errors by the client ($867,000), grant receivables and deferred revenues which were not accrued by management ($339,000), and unrecorded receivables and revenues related to pending litigation which was settled in favor of the County and due back to the County ($383,000).
- Revenues, receivables, and deferred revenue in the Debt Service Fund required adjustments totaling approximately $13,306,000 to correctly report balances relating to property taxes receivable and deferred revenues ($13,250,000) and amounts due from agency funds ($56,000).
- Revenues, receivables, and deferred revenue in the Water & Sewerage Authority required adjustments totaling approximately $1,402,000 to correctly report balances relating to the allowance on doubtful accounts as there was a formula error in the County's calculations ($253,000), adjustments to correctly report receivables which were incorrectly accrued ($126,000) and to adjust the current year activity related to the unearned sewerage taps and prepaid sewerage capacity ($1,023,000).

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-2 Receivables and Revenues (Continued)

Effects: Audit adjustments totaling approximately $18,566,000 were needed to correctly report revenues, receivables, deferred revenues and unearned revenues.

Recommendation: We recommend the County carefully review all revenues and receivables to ensure they are reported in the proper reporting period, properly valued, and in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that revenues and the related receivables are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-3 Allocation of Internal Service Funds

Criteria: Internal controls should be in place to ensure that the costs incurred by the internal service funds are charged out to the various other participating funds of the County in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's internal service funds.

Context/Cause: During our testing, certain audit adjustments were required to correct current year amounts. The nature of these adjustments are as follows:

- In the General Fund adjustments of approximately $1,349,000 were required to properly show the current year costs which should have been allocated to the fund from certain internal service funds.
- In the Fire District Fund adjustments of approximately $269,000 were required to properly show the current year costs which should have been allocated to the fund from certain internal service funds.
- In the Emergency 911 Telephone System Fund adjustments of approximately $68,000 were required to properly show the current year costs which should have been allocated to the fund from certain internal service funds.
- In the Water & Sewerage Authority adjustments of approximately $155,000 were required to properly show the current year costs which should have been allocated to the fund from certain internal service funds.
- In the Solid Waste Fund adjustments of approximately $12,000 were required to properly show the current year costs which should have been allocated to the fund from certain internal service funds.
- In the Administrative Services Fund adjustments of approximately $1,000,000 were required to properly charge the current year costs which should have been allocated from the fund.
- In the Information Technology Services Fund adjustments of approximately $561,000 were required to properly charge the current year costs which should have been allocated to the fund.
- In the Fleet Maintenance Fund adjustments of approximately $300,000 were required to properly charge the current year costs which should have been allocated to the fund.

Effects: Audit adjustments totaling approximately $3,714,000 were needed to charge the expenses incurred by the internal service funds to the user funds of the County. The funds were previously reporting negative net assets, which was understating the costs of other funds.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-3 Allocation of Internal Service Funds (Continued)

Recommendation: We recommend the County carefully review the way that their internal service funds are being charged to the other County funds. An internal service fund should strive to break even over the life of the fund; in order to do this, the participating funds should be charged for all the current year costs to operate the internal service fund. Internal service funds should not carry interfund payables or negative cash positions in the cash pool.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that internal service charges are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-4 Inventory Balances

Criteria: Internal controls should be in place to ensure that the amounts reported as inventory balances exist and are properly valued.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's inventory balances.

Context/Cause: During our testing of the inventory balances at the Fire District Fund and the Fleet Maintenance Fund, we noted that the County had not been properly performing year end physical counts to adjust the detail listings of inventory. Upon our initial visit to the locations we noted several items which were included in the listing which were no longer carried by the departments, several items at the locations which were not being included on the listings and several items which were incorrectly carried.

Effects: We were not able to perform our actual year-end counts until after February 1, 2010. This also created audit adjustments totaling approximately $293,000 to properly report the inventory balances in the Fire District Fund. While the Fleet Maintenance Fund did not require a significant entry, the controls related to the reporting of inventory balances, were found to be inadequate.

Recommendation: We recommend the County perform periodic physical inventory counts to ensure that they are properly carrying balances on the general ledger and that, at a minimum, a year end physical count is performed to provide a subsidiary listing of inventory balances which the County can then use to report in their general ledger.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that inventory balances are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-5 Reporting of the 1998 GMA Lease Pool Investments

Criteria: Internal controls should be in place to ensure that the amounts reported as restricted investment balances are properly valued and reported.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's investments and interfund advances as of December 31, 2009.

Context/Cause: During our testing of the 1998 Georgia Municipal Association (GMA) Lease Pool we noted that the County was not reporting the long term investment which they own as part of the contract with GMA. Additionally, adjustments were required to report the advances of cash to the various funds which have drawn down funds from the investment; these advances are as follows:

- Adjustments of approximately $48,000 were required to properly report the advances in the Fire District Fund.
- Adjustments of approximately $99,000 were required to properly report the advances in the Solid Waste Fund.
- Adjustments of approximately $44,000 were required to properly report the advances in the Risk Management Fund.
- Adjustments of approximately $14,000 were required to properly report the advances in the Fleet Maintenance Fund.
- Adjustments of approximately $18,000 were required to properly report the advances in the Building Occupancy Fund.
- Adjustments of approximately $2,698,000 were required to properly report the advances from the Capital Projects Fund as well as to record the current year activity related to the investments which are recorded in the Capital Projects Fund.

Effects: Audit adjustments totaling approximately $2,921,000 were needed to properly report the current year activity in the restricted investments as well as to report the activity of the interfund advances related to the GMA Lease Pool.

Recommendation: We recommend the County reconcile the activity in the investments to make the necessary entries in future years to record the activity relating to the Lease Pool.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that the GMA Lease Pool transactions are being properly reported.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-6 Expenditures/Expenses and Related Liabilities

Criteria: Generally, expenditures/expenses should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows.

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of the County's expenditures/expenses and related liabilities.

Context/Cause: During our testing of expenditures/expenses, certain audit adjustments were required to correct current year amounts. The nature of these adjustments are as follows:

- Accounts payable and the related expenditures required an adjustment of approximately $1,268,000 in the SPLOST Fund. This adjustment was needed to record additional expenditures identified during testing. Additionally, this adjustment resulted in an increase to the governmental activities of approximately $1,181,000 to record construction in progress activity.
- The compensated absence liability in the Solid Waste Fund required an adjustment of approximately $56,000 to lower the liability from the prior year balance to the current year balance.
- Accounts payable and the related expenses in the Solid Waste Fund required an adjustment of approximately $26,000. This adjustment was needed to record additional expenses identified during testing.

Effects: Audit adjustments totaling approximately $1,350,000 were needed to correctly report expenditures/expenses and the related liabilities.

Recommendation: We recommend the County carefully review all expenditures/expenses and related liabilities to ensure all necessary transactions are properly reported.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that expenditures/expenses and the related liabilities are properly recorded.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-7 Fund Balance

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of the County.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the opening net assets of one of the County's funds.

Context/Cause: During our testing, an audit adjustment was required to adjust the opening net assets of the Risk Management Fund to record a prior year audit entry which was not reported in the general ledger.

Effects: An audit adjustment totaling approximately $755,000 was needed to correctly report opening net assets.

Recommendation: We recommend the County carefully review all opening net asset balances to ensure that the general ledger agrees with the audited reports from the prior year.

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that all equity balances are reconciled.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-8 Maintenance of General Ledger

Criteria: Internal controls should be in place to ensure that the general ledgers of the County are properly maintained using accrual or modified-accrual accounting methods, as determined by generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's Pension Trust Fund.

Context/Cause: During our testing of the investments and current year income statement of the Pension Trust Fund we noted that no adjustments had been made to report the investments and activity for current year.

Effects: An audit adjustment totaling approximately $1,183,000 was needed to correctly report the current year activity.

Recommendation: We recommend the County carefully review all transactions related to the Pension Trust Fund and make the necessary entries in accordance with generally accepted accounting principles.

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that all general ledgers of the County are properly maintained.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-9 Segregation of Duties

Criteria: Internal controls should be in place, which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: During our documentation of the internal controls of the County, we noted the following areas where duties were not appropriately segregated:

- Individuals who collect receivables are not independent of the person who authorize write-offs of delinquent accounts and are not independent of persons who investigate receivable discrepancies.
- Individuals who post cash receipts to the subsidiary ledgers are not independent of persons writing off delinquent accounts, process customer service calls/complaints, prepare deposits, deposit cash, or reconcile bank accounts.
- Individuals who open mail or copy checks are not independent of those who initiate shipping documents, prepare deposits, or reconcile bank accounts.
- Individuals who review, authorize or sign checks are not independent of initiating checks for expenditures; preparing checks; mailing checks; opening the mail; or copying checks received.
- Individuals who initiate purchase orders are not independent of those who approve purchase orders, maintain the purchase journal, initiate checks for expenditures, input purchase orders, maintain access to or custody of inventory, maintain chart of accounts or receive goods.
- Individuals who approve purchase orders should be independent from those who, initiate purchase orders, input purchase orders, maintain the purchase journal, initiate checks for expenditures, edit the inventory master file, or those who maintain chart of accounts.
- Individuals who edit the vendor master file should be independent of those who initiate purchase orders; review, authorize or sign checks; initiate capital assets purchases, or reconcile capital asset subsidiary ledgers to the general ledger.
- Individuals who initiate inventory purchases should not be able to input purchase orders; authorize inventory purchases, verify and process receipt of inventory; record inventory transactions; have responsibility for inventory counts; investigate discrepancies; approve changes to inventory cost/quantity; maintain inventory records; edit the inventory master file; or maintain access to and custody of the inventory.

Context/Cause: Several instances of overlapping duties were noted during interviews and walk-through procedures regarding internal controls of the County.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-9 Segregation of Duties (Continued)

Effects: Failure to properly segregate duties among custody, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Recommendation: We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts.

Auditee's Response: We will review our operations to determine the most efficient and effective solution to properly segregate duties.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-10 Elected Official Salaries

Criteria: Internal controls should be in place to ensure that salaries for the County's elected officials are set in accordance with Georgia Code (15-10-23).

Condition: Internal controls were not sufficient to set proper salary rates for the County's Magistrate judges, other than the chief magistrate, who serve in less than a full-time capacity.

Context/Cause: During our documentation of the County's compliance with various State laws, it was noted that the County did not set the salary for all magistrates, other than the chief magistrate, who serve in less than a full-time capacity, at a rate equal to or greater than the State required rate.

Effects: The County's wage rates have resulted in a compliance violation with State of Georgia law.

Recommendation: We recommend the County carefully review all state statutes to ensure that they are in compliance with all requirements.

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that we are in compliance with the various state statutes.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-11 Collateralization of Deposits

Criteria: Policies should be in place to ensure all financial institutions holding cash deposits of County funds properly insure and/or collateralize those deposits in accordance with state law, at all times of the fiscal year.

Condition: As of December 31, 2009, the County had $614,480 in deposits that were not properly collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c).

Context/Cause: The deposits with a financial institution exceeded the limit for federal depository insurance coverage and were not sufficiently collateralized in accordance with State of Georgia law. This was caused by several of the County's accounts not being coded as public funds, and thus not having properly pledging.

Effects: The failure of a financial institution to fully insure or collateralize the deposits could result in a financial loss to the County, should the financial institution fail.

Recommendation: The County should ensure that all deposits with its financial institutions are properly coded as public funds. The County should also monitor its deposits on an on-going basis to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with State statutes.

Auditee's Response: We concur. The balances in question will be properly reflected as public funds and will be fully collateralized within State requirements. The County will ensure all deposits are properly coded as public funds and will monitor deposits on a monthly basis to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with State statutes.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-12 Governmental Fund Budgets

Criteria: State of Georgia law (OCGA 36-81-3) states:

a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article;

b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Condition: State law requires local governments to adopt annual appropriated budgets for all governmental funds or project length budgets for capital project funds. Management did not adopt a budget for the District Attorney Seizure Fund, which is reported as a special revenue fund for the fiscal year ended December 31, 2009.

Context/Cause: During our testing of the cash balances and inquiry of management about the governmental funds, it was determined that management was not properly reporting the confiscated/seized assets held by the district attorney in a special revenue fund in accordance with the State Uniform Chart of Accounts. As this fund was not being properly shown as a special revenue fund, management also failed to have an adopted budget and were, therefore, not in compliance with State law for adopting an annual budget.

Effects: As management was not properly reporting the adequate funds in accordance with State law, they also failed to set the required annual budget, which has resulted in a compliance violation with State law.

Recommendation: We recommend the County timely adopt budgets for all governmental funds reported in the financial statements.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all governmental funds have budgets appropriately set.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2009-13 Highway Planning and Construction – Reporting/Special Tests
U.S. Department of Transportation, TE Grant, CFDA# 20.205

Criteria: Grant requirements state this grant is required to submit monthly reports to the State that show compliance with Disadvantage Business Enterprise (DBE) requirements.

Condition: During the year ended December 31, 2009, the County did not submit the required reports to the State, nor did they use the required DBE contractors as stipulated in the grant agreement.

Context: The County did not have adequate controls in place to monitor the primary contractor to ensure that necessary DBE subcontractors were used during the project. Upon receipt of the final invoice, the State requested the DBE reports from the County, who then learned of the noncompliance.

Effect or Possible Effects: Failure to comply with grant requirements could result in loss of grant funding from certain grantors or could result in grant funds being required to be repaid to the grantor.

Cause: The County was not aware of the reporting requirements and did not have adequate controls to ensure proper monitoring of the primary contractor.

Questioned Costs: None reported.

Recommendations: The County should implement a process to require all County contractors to submit monthly DBE usage reports. The reports would allow the County to better monitor the compliance with DBE usage as well as more timely report information to the State.

Response: We concur. The County will implement a process to ensure that all future reports are properly and timely submitted to the State.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

2009-14 Highway Planning and Construction – Reporting
U.S. Department of Transportation, TE Grant, CFDA# 20.205

Criteria: Grant requirements state the grant recipient is required to submit monthly progress reports to the State that shows the progress of the projects, as well as any anticipated problems or anticipated completion dates.

Condition: During the year ended December 31, 2009, the County did not submit the required reports to the State.

Context: The County did not believe that the requirements were applicable to them.

Effect or Possible Effects: Failure to comply with grant requirements could result in loss of grant funding from certain grantors or could result in grant funds being required to be repaid to the grantor.

Cause: The County did not have adequate controls in place to ensure that the monthly reports were being submitted. The County did not think that they were required to complete the reports; however, upon confirmation with the State, the reports were determined to be required of the County.

Questioned Costs: None reported.

Recommendations: The County should initiate a process to ensure that all required reports are timely and completely submitted to the State. In an event where they have been granted exceptions to written contracts, the County should have controls in place to obtain and maintain documented approval from the grantor which supersedes the original agreement.

Response: We concur. The County will implement a process to ensure that all future reports are properly and timely submitted to the State.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

The prior audit included no findings relative to federal awards.