Prepared by the **FORSYTH**COUNTY Finance Department



2010 Comprehensive Annual Financial Report

For the year ended December 31, 2010

2010 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, 2010

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2010

Prepared By:
The Forsyth County Finance Department

Introductory Section

2010 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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Forsyth County Board of Commissioners

BRIAN R. TAM
CHAIRMAN

PATRICK B. BELL
VICE-CHAIRMAN

R.J. "PETE" AMOS
SECRETARY

JIM BOFF
MEMBER

TODD LEVENT
MEMBER

DOUG DERRER
COUNTY MANAGER

June 3, 2011

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. Pursuant to the requirements, we hereby issue the comprehensive annual financial report of Forsyth County, Georgia for the fiscal year ended December 31, 2010.

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, 2010, 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, 2010, 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 the 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 is conveniently located 30 miles north of Atlanta in the foothills of the Appalachian Mountains next to Lake Lanier and the Chattahoochee River. The county was named for the Honorable John Forsyth, who had a long and distinguished public career as the Governor of Georgia, U.S. Representative, U.S. Senator, and Secretary of State under Presidents Jackson and Van Buren. Forsyth County is nestled alongside 200-miles of Lake Lanier shoreline, which serves as the major recreational and tourism site in the county. The county is bordered on the north by Dawson County, on the east by Hall and Gwinnett Counties, on the south by Fulton County (which contains the majority of the City of Atlanta), and on the west by Cherokee County.

The governing authority consists of a five-member Board of Commissioners. The Board of Commissioners is elected by voters each living within specific districts 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 is appointed by and responsible to the Board of Commissioners to direct the daily operations of Forsyth County government.

Services provided to approximately 175,511 Forsyth citizens residing in the 247 square mile area include: 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 adopts annual appropriated budgets for its General Fund, its Special Revenue Funds, and its Debt Service Funds using a basis of accounting consistent with generally accepted accounting principles. Annual budgets are not adopted for any of the County's Proprietary or Fiduciary Funds because they are not legally required. The county prepares operating budgets for its Proprietary Funds for planning, control, cost allocation, and evaluation purposes.

Departments and county offices prepare revenue and expenditure estimates, which are reviewed by the County Manager. The County Manger prepares a proposed line item operating budget and submits it to the Board of Commissioners. Public Hearings are conducted in the county to obtain taxpayer comments on the proposed budget. The Board of Commissioners is required to adopt the final budget on or before December 31 at an official commission meeting. Budgetary control is maintained at the department appropriation level. Budget amendments must be authorized by the Board of Commissioners through a budget resolution. The County Manager is authorized to transfer certain line item budgeted amounts within any department, under certain conditions. Expenditures that would increase total department appropriations require the approval of the Board of Commissioners.

LOCAL ECONOMY

Lake Sidney Lanier is located at the eastern edge of Forsyth County, and provides numerous recreational activities for approximately 8 million visitors annually. It also functions to improve flood control and provide hydroelectric power, which gives it the distinction of being the most utilized water recreation area in the United States. In addition to Lake Lanier, the construction of GA 400 expressway has had the greatest affect on the growth of Forsyth County. GA 400 provides a direct link to the City of Atlanta.

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

Forsyth County continues to prosper even during the challenging economic times. In June 2010, CNN Money announced Forsyth County as the "6th Fastest Growing US County", since April 2000. Forsyth County employs more than 86,114 within its boundaries with approximately 7,175 licensed businesses (an increase of 15.63% from 2009). Existing companies are continuing to expand within our community, serving as our largest source for new jobs. As of December 2010, the county's unemployment rate was 8.2%, which is lower than the State of Georgia (10.2%) and the United States (9.6%).

Due to its proximity to Atlanta, Forsyth County continues to provide a thriving community complete with a thriving economy and a school system known for its excellence. In September 2010, America's Promise Alliance announced Forsyth County as one of the "100 Best Communities for Young People". By 2013, Forsyth County is projected to be the 10th largest county in Georgia, have the fastest population growth rate (25.7%) and add more than 30,000 new residents.

- The county was originally dominated by the poultry, horse and farming industries, and two industry giants, Tyson Foods and American Proteins, Co., still play a major role in the area's economy. Over the past 5 years nearly 50 international companies have moved to the county, with 17 having national or regional headquarters. The medical and life science industries remain the county's fastest growing industry sectors.
- The county has worked with this business interest, providing about 22 privately developed business parks, including the award-winning Johns Creek/Technology Park, Windward Business Park, Bluegrass Business Park and The Meadows.

- The Forsyth County School system is the ninth largest school system in Georgia, operating 35 schools within the county. The public school system is Forsyth County's largest employer with over 4,100 full-time employees and 1,500 substitutes. Classrooms are technologically-advanced, as the school system places a heavy emphasis on being on the cutting edge of new technology and methods of teaching.

Major Initiatives & Accomplishments

- The Forsyth County Sheriff's Office was the first in Georgia to receive the Flagship award honor from the Commission on Accreditation for Law Enforcement Agencies. This coveted award is presented only to law enforcement agencies demonstrating the "best of the best" in practice.
- In March 2010, Forsyth County became the 18th community in the state to receive the prestigious WaterFirst designation. This distinction from the GA Department of Community Affairs symbolizes the county's commitment to protecting our natural resources.
- In May 2010, work began to expand the Forsyth County Water Treatment Facility on Antioch Road. The expansion will further enhance the quality of finished water, increase efficiency through implementation of a backwash recycling system, and will allow for an additional 12 million gallons of water to be treated daily. The project is slated for completion in early 2012.

Improved Service Delivery

- The county completed construction of and opened the new Hampton Park Library. The branch is the county's third library, joining the Cumming and Sharon Forks branches. The 23,000 square-foot Hampton Park branch opened on March 15th, 2010, with over 60,000 collection items and 33 public computers. The project was funded through SPLOST V and a $2 million grant from the Georgia Public Library Service.
- On August 12th, 2010 ground was broken for the county's new Fire Station #7. The new two double-bay, 7,333 square foot facility will serve the Silver City area of north Forsyth County. This project is funded by SPLOST V and Impact Fees. Construction is scheduled for completion by April 2011.

Parks, Recreation and Green Space Bond Dollars at Work

- The Central Park Recreation Center expansion officially opened with a ribbon cutting ceremony September 28th, 2010. The expansion adds 15,000 square feet to the facility, including three rooms for youth and adult programs as well as a large banquet room. The project was funded by the $100 million Parks, Recreation and Green Space Bond.
- In December 2010 the county acquired approximately 85-acre Echols Road property. The property was acquired for use as green space. To date, more than 800 acres of property has been purchased with the Parks, Recreation and Green Space Bond to preserve land as green space and parks for future generations.
- Construction for Fowler Park continued throughout 2010. Fowler Park will be the county's 17th park featuring a skate park, trail head for the Big Creek Greenway, walking trails, a 5-acre passive area, large multi-use pavilion and turf amphitheater area, tennis and basketball courts, and numerous athletic fields. It is being funded by SPLOST VI and the $100 million Parks, Recreation and Green Space Bond. Construction is scheduled for completion by February 2011.

LONG – TERM FINANCIAL PLANNING

Forsyth County's Department of Planning and Development began in 2010 working with the community to update the Comprehensive Plan that is required to maintain the county's Qualified Local Government status. The Comprehensive Plan assesses existing conditions and seeks to adequately plan for upcoming expansion through serving as a policy guide as decisions are made related to growth and land use change. The plan addresses critical issues while incorporating a shared community vision for a preferred, future growth scenario over the next two decades. In 2010, the draft Community Assessment and Community Participation Program were submitted to the Georgia Department of Community Affairs after a public hearing was held in September. The Community Agenda public process then began in October with a kick-off open house followed by two community workshops as well as concurrent stakeholder interviews. The update will continue throughout 2011 with a series of additional public workshops.

Forsyth County strives to improve its financial position for the longer term. As a result of conservative budgeting, continuous financial monitoring, and budget cuts, the county is able to establish the operating reserve in fund balance, as policy guidelines set by the Board of Commissioners states, with excess unreserved, undesignated funds. The county also prepares the annual budget with the following years always in review. Potential revenue sources are being reviewed now to bring a needed new Jail and Courthouse to the county in the near future.

AWARDS AND ACKNOWLEDGEMENTS

In 2010, Forsyth County received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the fiscal year ending December 31, 2009. This was the tenth consecutive year the county has received this prestigious award. The award honors easily readable, efficiently organized, comprehensive annual financial reporting that conforms to program standards. This report satisfied both GAAP and applicable legal requirements. The county intends to maintain and surpass this standard and to submit this and future reports to GFOA for consideration.

The preparation, design and publication of this Comprehensive Annual Financial Report is made possible by the commitment of the Department of Finance staff throughout the year and especially during the annual audit and CAFR preparation. We also thank the accounting firm of Mauldin & Jenkins, LLC for their assistance. 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

David Gruen
Director of Finance/Controller

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, 2009

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

Officials of FORSYTHCOUNTY

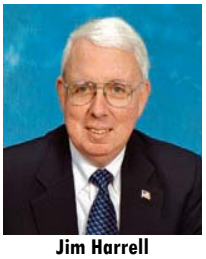
2010 BOARD OF COMMISSIONERS



Charles Laughinghouse
Chairman
District 1



Brian Tam
Member
District 2



Jim Harrell
Vice Chairman
District 3



Patrick Bell
Secretary
District 4



Jim Boff
Member
District 5

ADMINISTRATION



Doug Derrer
County Manager



Tim Merritt
Deputy County Manager

Mission

As trusted stewards of Forsyth County's future, the elected officials and employees are dedicated to serving the community and to providing effective, professional public service with integrity and a commitment to excellence.

Vision

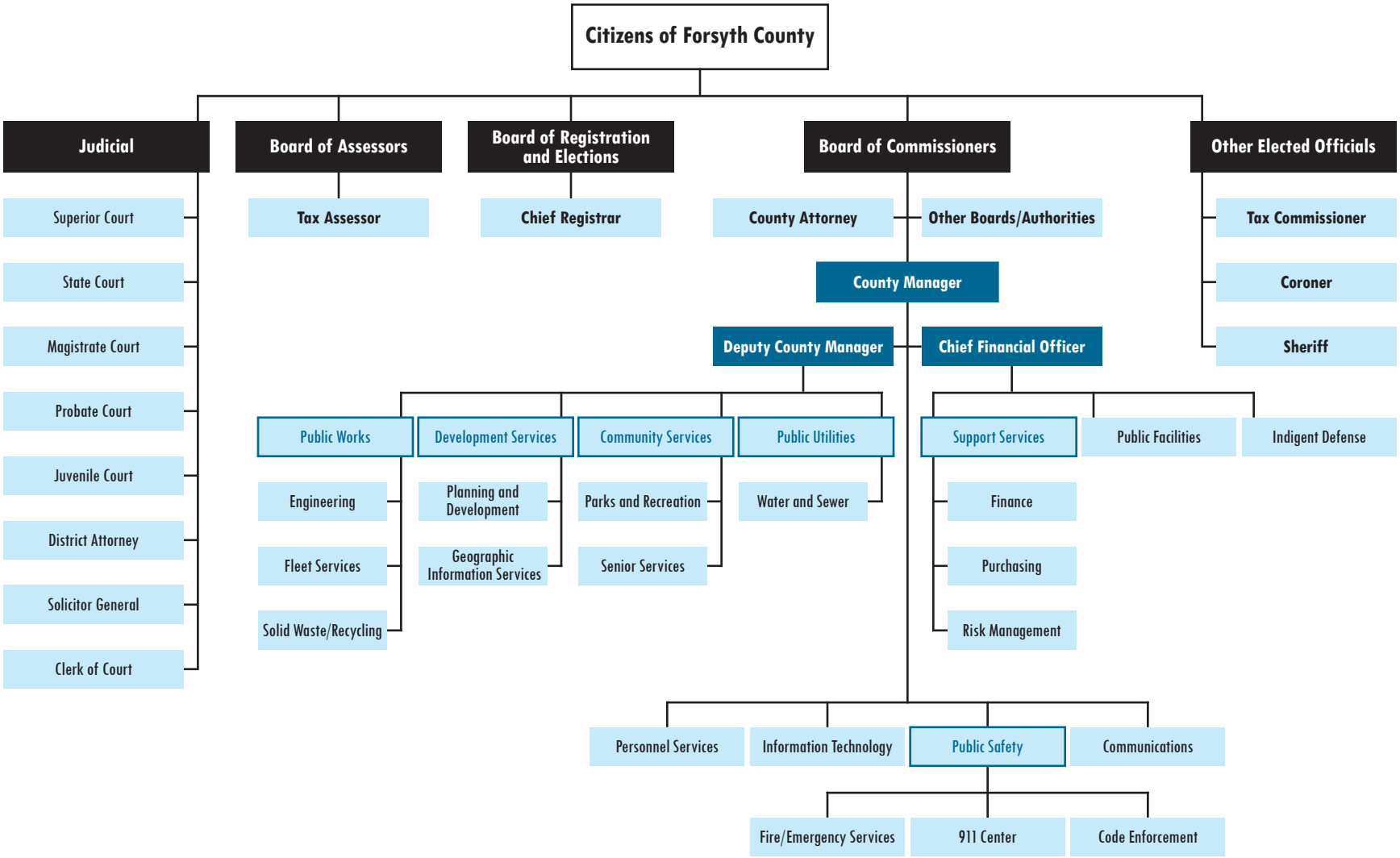
Forsyth County is committed to providing and maintaining the most efficient, customer service-oriented county government possible. The county will be an innovative and strategic leader in providing essential and effective public services in a fiscally prudent and professional manner. By preserving and enhancing a high quality of life, Forsyth County will remain a healthy, safe and compelling place in which to live, work, recreate, visit and invest.

JUDICIAL & 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

COUNTY DEPARTMENT HEADS

Danny Bowman	Fire & Emergency Mgmt
Connie Brooker	Indigent Defense
Pat Carson	Personnel Services
Tom Brown (Interim)	Planning/Development
Charity Clark	Risk Management
Brian Converse (Interim)	Information Technology
John Cunard	Engineering
Jodi Gardner	Communications
Pat Giordano	E-911
Avery Gravitt	Fleet Maintenance
Shelley Johnson	Senior Center
John Kilgore	GIS
Jerry Kinsey	Parks & Recreation
Mary Kirkpatrick	Board of Assessors
Donna Kukarola	Purchasing
Barbara Luth	Voter Registration
Jon McDaniel	Library
David Gruen	Finance
Tim Perkins	Water & Sewer
David Thornton	Public Facilities
Tammy Wright	Solid Waste and Recycling
Steve Zaring	Code Enforcement



FORSYTHCOUNTY Organizational Chart

Financial Section

2010 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, 2010, 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 23 percent, 24 percent, and 16 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 the 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, 2010, 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 June 2, 2011, 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 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 63 through 65) 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
June 2, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

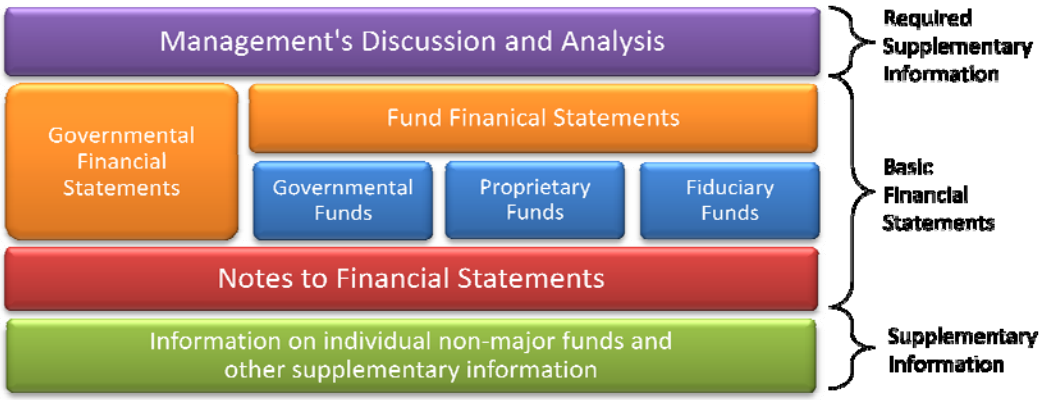
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2010. Please read it in conjunction with the transmittal letter on page i and the County's financial statements, which begin on page 15.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets exceed liabilities by $1.12 billion (net assets) at December 31, 2010. Of this amount $806.14 million is governmental activities and $315.35 million is business-type activities.
- The combined revenue total for the County is $216.03 million, a 16.21% increase from 2009. Of the combined total, governmental activities is $155.85 million and business-type activities is $60.18 million.
- The combined expense total for the County is $158.74 million, a 6.21% decrease from 2009. Of the combined total, governmental activities is at $125.79 million and business-type activities is $32.95 million.
- At December 31, 2010, the County's governmental funds reported combined ending fund balance is $130.18 million, a decrease of $1.26 (0.96%) from the 2009 fund balance. The unreserved fund balance for various governmental funds is $9.72 million and $120.46 million for reserved fund balance.
- The County's total debt decreased by $15.09 million (4.73%) from fiscal year 2009, primarily due to the County's final payment for our existing Series 2000 general obligation bonds.

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, presented on pages 15 and 16, 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 practical 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 fiscal accountability 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, 2010, 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, of which the Water & Sewerage Authority is considered to be a major fund of the County. 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 25-62 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 benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 67-87 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 $1.12 billion at the close of the most recent fiscal year. This is a slight increase of $57,286 thousand or 5.38% from fiscal year 2009.

FORSYTH COUNTY, GEORGIA'S NET ASSETS

December 31, 2010

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	$ 213,970	$ 207,733	$ 87,548	$ 98,849	$ 301,518	$ 306,582
Capital assets (net of depreciation)	822,230	801,178	417,312	378,369	1,239,542	1,179,547
TOTAL ASSETS	1,036,200	1,008,911	504,860	477,218	1,541,060	1,486,129
LIABILITIES						
Other liabilities	94,080	84,627	31,540	30,435	125,620	115,062
Long-term liabilities outstanding	135,980	147,501	157,974	161,310	293,954	308,811
TOTAL LIABILITIES	230,060	232,128	189,514	191,745	419,574	423,873
NET ASSETS						
Invested in capital assets, net of related debt	697,529	693,335	275,887	236,145	973,416	929,480
Restricted	63,598	55,132	4,142	4,075	67,740	59,207
Unrestricted	45,013	28,316	35,317	45,253	80,330	73,569
TOTAL NET ASSETS	$ 806,140	$ 776,783	$ 315,346	$ 285,473	$ 1,121,486	$ 1,062,256

The largest component of the County's net assets, $973.42 million (86.80%) at December 31, 2010, 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, $67.74 million (6.04%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net assets, $80.33 million (7.16%), 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 $30.06 million (3.87%), partly due to the $8.3 million reimbursement from SPLOST to the General Fund. Over $12 million also comes from the net affect of the increase in SPLOST revenues and decrease in expenditures. Net assets in business-type activities increased by $27.23 million (9.45%) primarily due to the acquisition of the James Creek facility and its collection systems. The county's overall net assets increased indicating that the County's financial position has remained constant since 2009.

Changes in Net Assets. Governmental and business-type activities increased the County's net assets before transfers and prior period adjustments by $57.23 million by the end December 31, 2010.

The following table gives a comparison for the changes in net assets in governmental and business type activities for fiscal year 2009 and 2010.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET ASSETS

December 31, 2010

($ In thousands)

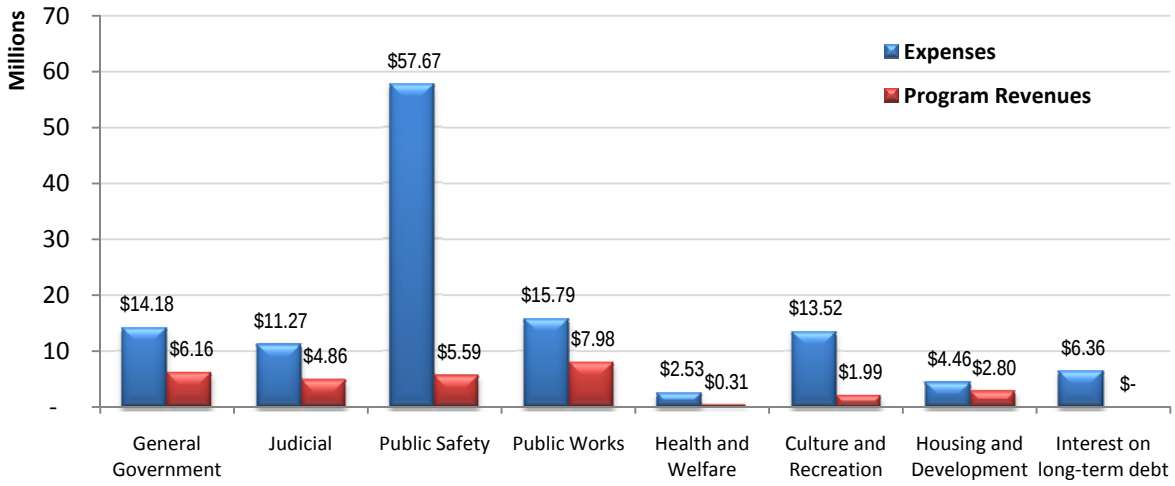
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues:						
Charges for services	$ 22,140	$ 21,874	$ 31,382	$ 29,900	$ 53,522	$ 51,774
Operating grants and contributions	1,347	3,084	-	-	1,347	3,084
Capital grants and contributions	6,200	3,967	28,018	5,565	34,218	9,532
General Revenues:						
Property taxes	66,473	63,209	-	-	66,473	63,209
Sales taxes	50,634	46,539	-	-	50,634	46,539
Insurance premium tax	4,489	4,616	-	-	4,489	4,616
Other taxes	2,898	2,810	-	-	2,898	2,810
Unrestricted investment earnings	1,149	1,069	777	594	1,926	1,663
Intergovernmental revenue, not restricted for specific programs	-	-	-	-	-	-
Other	520	2,673	2	-	522	2,673
TOTAL REVENUES	$ 155,850	$ 149,841	$ 60,179	$ 36,059	$ 216,029	$ 185,900
EXPENSES						
General Government	14,181	17,246	-	-	14,181	17,246
Judicial	11,271	11,618	-	-	11,271	11,618
Public Safety	57,674	61,072	-	-	57,674	61,072
Public Works	15,791	15,913	-	-	15,791	15,913
Health and Welfare	2,529	2,483	-	-	2,529	2,483
Culture and Recreation	13,524	15,689	-	-	13,524	15,689
Housing and Development	4,460	5,717	-	-	4,460	5,717
Principal & Interest	6,360	6,400	-	-	6,360	6,400
Solid Waste Disposal Facility	-	-	671	599	671	599
Water and Sewer	-	-	32,283	32,521	32,283	32,521
TOTAL EXPENSES	125,790	136,138	32,954	33,120	158,744	169,258
Increase in net assets	30,060	13,703	27,225	2,939	57,285	16,642
Net assets, beginning of year	776,783	764,988	285,473	296,953	1,062,256	1,061,941
Prior Period Adjustments	(703)	(1,908)	2,648	(14,419)	1,945	(16,327)
Net assets, end of year	$ 806,140	$ 776,783	$ 315,346	$ 285,473	$ 1,121,486	$ 1,062,256

Governmental Activities. Governmental activities increased the County's net assets by $30.06 million thereby accounting for 52.47% of the total growth in net assets. Key elements of this increase are as follows:

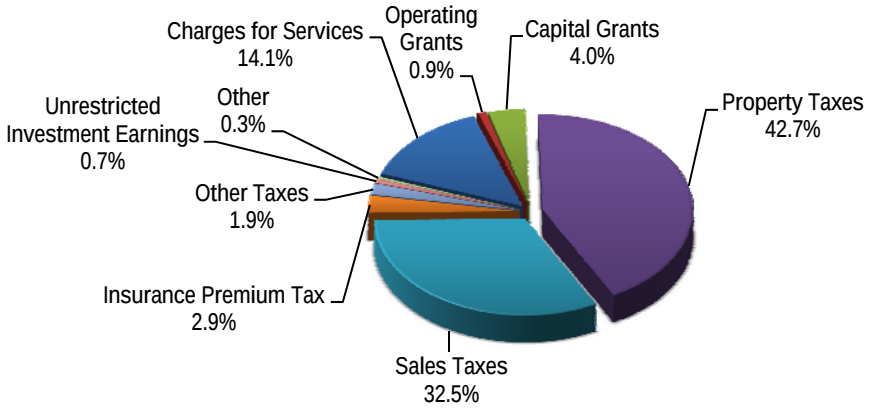
- The County's governmental activities relied on the following revenue sources in 2010: $22.14 million in charges for services, $7.55 million for grants and contributions, $124.50 million in taxes, $1.15 million in investment earning and $520 thousand in other revenue. Total program and general revenue for 2010 is $155.85 million.
- Total revenues for governmental activities increased by $6.01 million or 4.01% from fiscal year 2009. Property taxes totaling $66.47 million is the largest revenue source for the county. Operating grants and contributions decreased by $1.74 million, due to Georgia Homestead Reimbursements not being funded by the State in 2010, while capital grants and contributions increased by $2.23 million. These assets are generally developer donations. Sales tax revenues also increased by $4.10 million due to increase in retail activity during 2010.
- Expenses for 2010 decreased by $10.35 million or 7.60% from 2009. Governmental activities expenses decreased as a reflection of the decrease in budget from 2009.

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

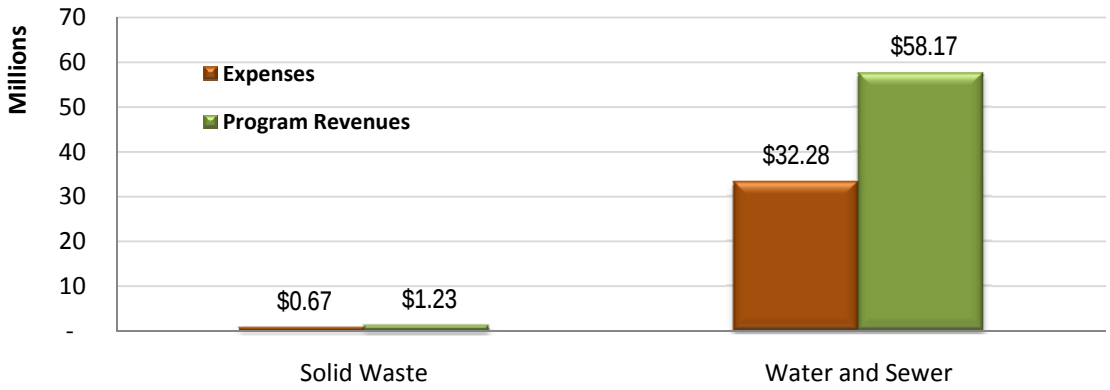


Business-type activities. Business-type activities increased the County's net assets by $27.23 million, accounting for 47.53% of the total growth in net assets. Key elements of this increase are as follows:

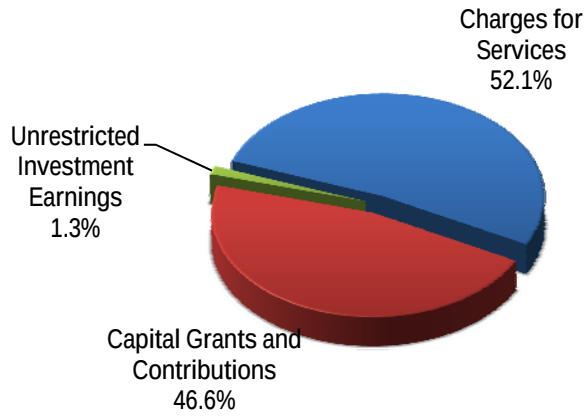
- Water and Sewer Authority charges for services increased by $1.75 million (6.15%), due to increase in 2010 consumption with the state's decision in summer 2009 to lift the drought level 4 water restrictions.
- December 2010, Water & Sewer completed the acquisition of the James Creek facility and collection system which accounts for the majority of the increase in capital contributions of $22.45 million from 2009.
- 2009 reflected a prior period adjustment of $2.65 million

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.

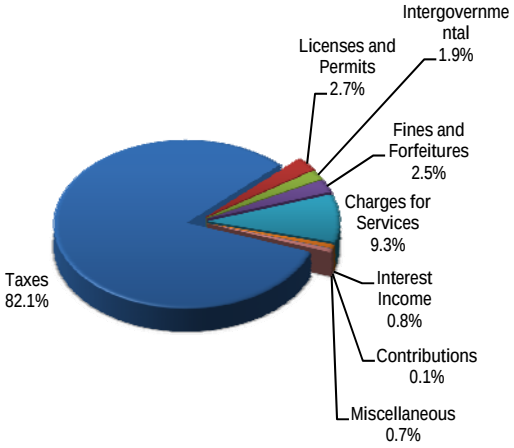
GOVERNMENTAL FUNDS
CHANGES TO FUND BALANCE
($ in thousands)

	2010	2009	Inc/Dec	% Inc/Dec
General Fund	$ 27,473	$ 14,616	$ 12,857	87.97%
Fire District	3,722	440	3,282	746.39%
Debt Service	28,308	23,355	4,953	21.21%
SPLOST	35,031	40,077	(5,046)	-12.59%
Capital Projects	20,670	38,515	(17,845)	-46.33%
Impact Fees	12,858	11,959	899	7.52%
Nonmajor Governmental Funds	2,115	2,360	(245)	-10.39%
Fund Balance	**$ 130,177**	**$ 131,322**	**$ (1,145)**	**-0.87%**

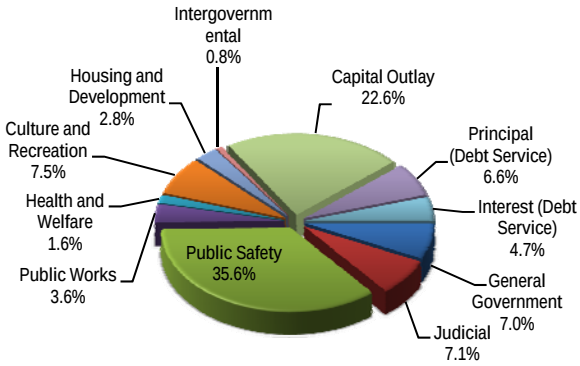
At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $130.18 million, a decrease of $1.15 million in comparison with the fund balance for 2009. Approximately 7.47% of this total amount, $9.72 million, constitutes unreserved, undesignated fund 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 $4.99 million. The fund balance increased by $12.86 million during the current year, primarily due to increased sales tax revenue, and the reimbursement from SPLOST for $8.3 million. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund budget. The County does maintain an operating reserve in the General Fund equal to 25% of the next year's budget, which was $22.04 million in reserves for 2010. Unreserved fund balance represents 16.55% of total general fund balance. The fund balance increased by $12.86 million during the current fiscal year in comparison to the fund balance for 2009.

REVENUES BY FUNCTION - GOVERNMENTAL FUNDS



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund increased by $3.28 million during the current fiscal year. Revenues increased by $887 thousand from 2009. This increase is due to a Fire District millage rate increase of 1.765 mills to 1.871 mills in January 2009.

The fund balance of the County's debt service fund increased by $4.95 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 $28.31 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 $5.05 million during the current fiscal year. This is primarily due to the transfer of $8.3 million to the general fund to reimburse the general fund for projects which were originally charged to the general fund; however, were determined to be eligible SPLOST projects by the county.

The fund balance of the County's Impact fees fund increased by $899 thousand during the current fiscal year. The County collected $1.64 million in impact fees during 2010 and spent $737 thousand on qualified impact fee projects. The remaining fund balance of $12.86 million will be spent in future years for qualified impact fee projects.

The fund balance of the County's capital projects fund decreased by $17.85 million during the current fiscal year. The capital projects fund has an ending fund balance of $20.67 million. The decrease is due to $19.52 million spent on various capital projects. This fund had no significant revenue or transfers from the General Fund in 2010.

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 $30.16 million, an increase of $1.74 million from 2009. This is primarily due to the removal of drought level 4 water restrictions in summer of 2009. The department's water customer count grew by 723 new connections to a year-end total of 44,631 and sewer customer count increased by 1,945 to a year-end total of 16,974. Total operating expenses were $28.32 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2010 is $1.24 billion, net of $247.91 million in accumulated depreciation. This investment in capital assets includes land, buildings, improvements, sewer capacity rights, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide additions in 2010 are $77.76 million with $39.98 million in government-type activities and $37.77 million in business-type activities. Net investment in capital assets is $973.42 million with $697.53 for governmental activities and $275.89 million for business-type activities. This is a 4.73% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
Land and improvements	$ 383,006	$ 378,880	$ 28,997	$ 28,996	$ 412,003	$ 407,876
Infrastructure land improvements	152,985	146,997	-	-	152,985	146,997
Construction in progress	55,529	53,921	21,956	11,581	77,485	65,502
Buildings and improvements	65,464	63,123	16,357	5,522	81,821	68,645
Machinery and equipment	15,309	17,659	2,835	2,835	18,144	20,494
Vehicles	7,771	9,456	435	540	8,206	9,996
Sewer Capacity Rights	-	-	9,757	10,087	9,757	10,087
Infrastructure	142,166	131,142	336,975	329,162	479,141	460,304
Total	**$ 822,230**	**$ 801,178**	**$ 417,312**	**$ 388,724**	**$ 1,239,542**	**$ 1,189,902**

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

- Completion of Central Park Recreation Center Expansion at $1.9 million; available for use September 28, 2010.
- Completion of Hampton Park Library at $4.3 million; available for use March 15, 2010.
- 3.8 mile resurfacing, installation of traffic signals and construction of right and left turn lanes at the Dr. Bramblett/Spot Road intersection at $1.3 million; completed in November, 2010.

Additional information on the County's capital assets can be found in Note 6, on pages 38-41.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $297.53 million. Of this amount $138.05 million consists of general obligation bonds backed by the full faith and credit of the government and $159.48 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $13.95 million primarily due to the County's final payment for the existing Series 2000 general obligation bonds.

The County maintains an exceptionally positive credit rating in the current fiscal year with Moody's (Aaa) 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, pages 43-50.

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 63 and 64.

GENERAL FUND
for the year ended December 31, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General Government	$ 9,765,950	$ 10,744,317	$ 10,389,346	$ 354,971
Judicial	10,605,000	10,868,143	10,439,461	428,682
Public Safety	33,720,900	36,591,233	36,188,048	403,185
Public Works	6,046,900	6,027,374	5,404,732	622,642
Health and Welfare	2,605,100	2,719,400	2,499,372	220,028
Culture and Recreation	11,209,800	11,343,625	11,029,462	314,163
Housing and Development	4,399,100	4,530,948	4,123,181	407,767
Total Expenditures	**$ 78,352,750** [1]	**$ 82,825,040**	**$ 80,073,602**	**$ 2,751,438**

(1) The adopted General Fund expenditure budget included transfers to other funds (vehicle fund, capital fund, victim witness, and KFCB) totaling $648,900 which is not shown on this chart.

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 $77.96 million in the original budget increased to $79.77 million at year end, due to an increase in tax revenues by $952 thousand caused by retail activity during 2010. Total revenues ended at $86.33 million, $6.57 million above the final budget. The original adopted expenditure budget of $78.35 million plus $649 thousand in other financing sources to assist funding in other county funds was amended to $83.93 million. Significant expenditure budget amendments are summarized below:

- General Government increased by $978 thousand.
- Public Safety increased by $2.87 million.
- Judicial increased by $263 thousand.

However, by year end actual expenditures for the general fund were $80.07 million, $2.75 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- Judicial $429 thousand under final budget
- Public Safety $403 thousand under final budget
- Public Works $623 thousand under final budget
- Culture and recreation $314,163 under final budget
- Notable and non-budgeted items of $2.2 million that occurred during the fiscal year were offset by the increase in revenues of $6.57 million

Forsyth County's general fund 2011 adopted budget is $88.17 million, an increase of 11.61% from the 2010 budget.

In total, actual expenditures of $82.18 million were $1.74 million below the final budget. Revenues of $86.33 million were $6.57 million above final budget which resulted in an increase of revenue over expenditures of $6.23 million.

ECONOMIC FACTORS AND THE 2011 BUDGET

Forsyth County's 2011 budget is a reflection of the financial position of the County in 2010. During 2010, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 8.2%, a 3.8% increase from 2009. This compares favorably to the State of Georgia's unemployment rate at 10.2%, and the national unemployment rate of 9.6% at the end of 2010.
- LOST and SPLOST revenues increased by $4.2 million, a 9% increase from fiscal year 2009. An increase is also projected for the 2011 Budget. The County continues to monitor collections on a monthly basis.
- The County's 2010 maintenance and operations mileage rate increased to 4.734 mills to compensate for the decrease in assessed values throughout the county.
- Forsyth County continues to implement a number of cost-saving measures to compensate for the potential decrease in revenue from property taxes, sales taxes and other revenues. These cost saving measures include: employer 401 K contributions continued at 3%, and 4 unpaid holidays were implemented. Several departments and offices throughout the county continue to monitor their budgets, accordingly.

All of these factors were taken into consideration and implemented when preparing the County's budget for fiscal year 2011.

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

2010 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Library System
Cash and cash equivalents	$ 95,417,216	$ 26,581,007	$ 121,998,223	$ 857,741	$ 1,897,645
Investments	38,568,723	32,279,594	70,848,317	500,049	-
Receivables (net of allowance for uncollectibles)	1,233,395	3,470,937	4,704,332	35,084	33,728
Taxes receivable	5,369,835	-	5,369,835	-	-
Intergovernmental receivables	6,568,533	-	6,568,533	-	5,692
Prepaid items	352,674	-	352,674	-	49,767
Inventories	901,807	981,669	1,883,476	-	-
Internal balances	(364,096)	364,096	-	-	-
Deferred charges, unamortized balance	818,776	1,679,439	2,498,215	-	-
Net pension asset	2,445,096	-	2,445,096	-	-
Restricted assets:					
Restricted cash and cash equivalents	14,824,896	22,190,583	37,015,479	-	-
Investments	47,833,764	-	47,833,764	-	-
Capital assets, nondepreciable	591,520,454	58,272,929	649,793,383	-	5,694
Capital assets, depreciable, net of accumulated depreciation	230,709,236	359,039,349	589,748,585	8,958	2,707,379
Total assets	1,036,200,309	504,859,603	1,541,059,912	1,401,832	4,699,905
LIABILITIES					
Accounts payable	6,887,049	3,701,906	10,588,955	3,756	155,995
Accrued liabilities	6,379,907	1,920,692	8,300,599	-	139,991
Customer deposits payable	-	2,524,038	2,524,038	-	-
Unearned revenue	63,064,593	19,489,990	82,554,583	-	-
Noncurrent liabilities due within one year					
Capital lease payable	-	-	-	-	1,080
Compensated absences payable	5,360,377	370,570	5,730,947	53,000	140,250
Claims payable	1,518,000	-	1,518,000	-	-
Landfill closure and postclosure	-	102,260	102,260	-	-
Bonds payable	10,870,000	3,430,000	14,300,000	-	-
Noncurrent liabilities due in more than one year					
Capital lease payable	-	-	-	-	4,130
Compensated absences payable	1,340,094	89,524	1,429,618	31,010	93,500
Claims payable	492,000	-	492,000	-	-
Net OPEB obligation	327,722	-	327,722	-	-
Landfill closure and postclosure	-	1,840,678	1,840,678	-	-
Certificates of participation	6,638,150	-	6,638,150	-	-
Bonds payable	127,182,643	156,043,935	283,226,578	-	-
Total liabilities	230,060,535	189,513,593	419,574,128	87,766	534,946
NET ASSETS					
Invested in capital assets, net of related debt	697,529,164	275,887,426	973,416,590	8,958	2,707,863
Restricted for:					
Debt service	28,451,379	4,141,500	32,592,879	-	-
Capital projects	35,146,933	-	35,146,933	739,898	466,823
Unrestricted	45,012,298	35,317,084	80,329,382	565,210	990,273
Total net assets	$ 806,139,774	$ 315,346,010	$ 1,121,485,784	$ 1,314,066	$ 4,164,959

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

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	$ 14,180,598	$ 5,895,868	$ 261,307	$ -
Judicial	11,270,997	4,366,588	448,635	46,030
Public safety	57,673,844	5,220,625	190,396	182,702
Public works	15,791,147	1,937,587	71,312	5,971,396
Health and welfare	2,529,405	68,621	236,896	-
Cuture and recreation	13,524,164	1,849,153	138,511	-
Housing and development	4,459,825	2,800,469	-	-
Interest on long-term debt	6,360,076	-	-	-
Total governmental activities	125,790,056	22,138,911	1,347,057	6,200,128
Business-type activities:				
Water and sewer	32,283,499	30,155,626	-	28,018,803
Solid waste	671,388	1,226,894	304	-
Total business-type activities	32,954,887	31,382,520	304	28,018,803
Total primary government	$ 158,744,943	$ 53,521,431	$ 1,347,361	$ 34,218,931
Component units:				
Health Department	$ 1,341,417	$ 770,665	$ 418,023	$ -
Library System	9,460,427	220,786	351,571	2,621,148
Total component units	$ 10,801,844	$ 991,451	$ 769,594	$ 2,621,148
	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
	$ (8,023,423)	$ -	$ (8,023,423)	$ -	$ -
	(6,409,744)	-	(6,409,744)	-	-
	(52,080,121)	-	(52,080,121)	-	-
	(7,810,852)	-	(7,810,852)	-	-
	(2,223,888)	-	(2,223,888)	-	-
	(11,536,500)	-	(11,536,500)	-	-
	(1,659,356)	-	(1,659,356)	-	-
	(6,360,076)	-	(6,360,076)	-	-
	(96,103,960)	-	(96,103,960)	-	-
	-	25,890,930	25,890,930		
	-	555,810	555,810	-	-
	-	26,446,740	26,446,740	-	-
	$ (96,103,960)	$ 26,446,740	$ (69,657,220)	$ -	$ -
	$ -	$ -	$ -	$ (152,729)	$ -
	-	-	-	-	(6,266,922)
	$ -	$ -	$ -	$ (152,729)	$ (6,266,922)
	$ 66,473,085	$ -	$ 66,473,085	$ -	$ -
	50,634,514	-	50,634,514	-	-
	4,489,440	-	4,489,440	-	-
	1,249,602	-	1,249,602	-	-
	1,648,496	-	1,648,496	-	-
	1,149,362	777,044	1,926,406	-	6,243
	-	-	-	-	4,107,986
	519,567	1,680	521,247	164,745	13,987
	126,164,066	778,724	126,942,790	164,745	4,128,216
	30,060,106	27,225,464	57,285,570	12,016	(2,138,706)
	776,079,668	288,120,546	1,064,200,214	1,302,050	6,303,665
	$ 806,139,774	$ 315,346,010	$ 1,121,485,784	$ 1,314,066	$ 4,164,959

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

ASSETS	General	Fire District	Debt Service	SPLOST
Cash and cash equivalents	$ 30,800,326	$ 16,301,745	$ 26,902,676	$ 191,402
Investments	24,716,551	1,788,383	9,235,149	-
Receivables (net of allowance for uncollectibles)	658,949	12,665	-	-
Taxes receivable	3,375,102	1,307,009	687,724	-
Intergovernmental receivables	3,152,465	-	-	3,091,062
Due from other funds	8,306,241	-	-	-
Inventories	250,862	398,786	-	-
Prepaid items	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	42,668,393
Advance to other funds	-	-	-	-
Total assets	$ 71,260,496	$ 19,808,588	$ 36,825,549	$ 45,950,857
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,551,259	$ 47,396	$ -	$ 2,376,957
Other accrued liabilities	3,730,740	-	-	126,967
Due to other funds	-	-	-	8,300,000
Advances from other funds	-	35,766	-	-
Deferred revenues	38,505,190	16,003,741	8,517,059	115,539
Total liabilities	43,787,189	16,086,903	8,517,059	10,919,463
FUND BALANCES				
Fund balances:				
Reserved for:				
Prepaids	-	-	-	-
Inventories	250,862	398,786	-	-
Long term advances	-	-	-	-
Debt service	-	-	28,308,490	-
Encumbrances	632,602	140,312	-	-
Capital projects	-	-	-	35,031,394
Operating reserve	22,041,937	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	-	3,182,587	-	-
Capital projects funds	-	-	-	-
General fund	4,547,906	-	-	-
Total fund balances	27,473,307	3,721,685	28,308,490	35,031,394
Total liabilities and fund balances	$ 71,260,496	$ 19,808,588	$ 36,825,549	$ 45,950,857

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
$ 2,532,580	$ 12,954,443	$ 1,716,347	$ 91,399,519
166,423	-	-	35,906,506
1,395	-	519,931	1,192,940
-	-	-	5,369,835
325,006	-	-	6,568,533
-	-	-	8,306,241
-	-	-	649,648
-	-	3,946	3,946
14,824,896	-	-	14,824,896
5,165,371	-	-	47,833,764
159,899	-	-	159,899
$ 23,175,570	$ 12,954,443	$ 2,240,224	$ 212,215,727
$ 2,182,044	$ 96,678	$ 112,929	$ 6,367,263
323,950	-	5,725	4,187,382
-	-	6,241	8,306,241
-	-	-	35,766
-	-	-	63,141,529
2,505,994	96,678	124,895	82,038,181
-	-	3,946	3,946
-	-	-	649,648
159,899	-	-	159,899
-	-	-	28,308,490
-	-	121,503	894,417
20,509,677	12,857,765	-	68,398,836
-	-	-	22,041,937
-	-	1,805,702	4,988,289
-	-	184,178	184,178
-	-	-	4,547,906
20,669,576	12,857,765	2,115,329	130,177,546
$ 23,175,570	$ 12,954,443	$ 2,240,224	
			819,947,853
			5,958,560
			1,217,461
			(153,606,742)
			2,445,096
			$ 806,139,774

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	General	Fire Distirct	Debt Service	SPLOST
Revenues:				
Taxes	$ 67,975,419	$ 17,075,997	$ 12,179,437	$ 27,371,733
Licenses and permits	4,073,632	-	-	-
Intergovernmental	1,726,999	20,600	-	984,439
Fines and forfeitures	2,551,383	-	-	-
Charges for services	8,938,641	-	-	-
Interest income	510,518	42,950	65,108	42,398
Contributions	52,755	11,500	-	-
Miscellaneous	503,404	68,008	-	380,424
Total revenues	86,332,751	17,219,055	12,244,545	28,778,994
Expenditures:				
Current:				
General government	10,389,346	-	284,975	-
Judicial	10,439,461	-	-	-
Public safety	36,188,048	13,976,472	-	-
Public works	5,404,732	-	-	-
Health and welfare	2,499,372	-	-	-
Culture and recreation	11,029,462	-	-	185,657
Housing and development	4,123,181	-	-	-
Intergovernmental expenditures	-	-	-	1,165,415
Capital outlay	-	-	-	14,288,546
Debt service:				
Principal	-	-	10,070,000	-
Interest	-	-	6,821,227	-
Total expenditures	80,073,602	13,976,472	17,176,202	15,639,618
Excess (deficiency) of revenues over expenditures	6,259,149	3,242,583	(4,931,657)	13,139,376
Other financing sources (uses):				
Proceeds from sale of assets	32,079	-	-	-
Transfers in	8,674,488	39,350	9,885,100	-
Transfers out	(2,108,301)	-	-	(18,185,100)
Total other financing sources (uses)	6,598,266	39,350	9,885,100	(18,185,100)
Net change in fund balances	12,857,415	3,281,933	4,953,443	(5,045,724)
Fund balances, beginning of year, restated	14,615,892	439,752	23,355,047	40,077,118
Fund balances, end of year	$ 27,473,307	$ 3,721,685	$ 28,308,490	$ 35,031,394

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

Capital Projects	Impact Fees	Nonmajor Governmental Funds	Total
$ -	$ -	$ 214,419	$ 124,817,005
-	-	-	4,073,632
-	-	149,475	2,881,513
-	-	1,378,863	3,930,246
-	1,598,073	3,528,318	14,065,032
489,678	37,938	3,170	1,191,760
-	-	18,126	82,381
116,585	-	5,788	1,074,209
606,263	1,636,011	5,298,159	152,115,778
24,564	5,219	37,890	10,741,994
-	-	502,520	10,941,981
-	-	4,541,392	54,705,912
68,382	-	-	5,473,114
-	-	-	2,499,372
347,406	-	-	11,562,525
-	18,602	214,419	4,356,202
-	-	-	1,165,415
19,516,417	713,254	59,598	34,577,815
-	-	-	10,070,000
376,724	-	-	7,197,951
20,333,493	737,075	5,355,819	153,292,281
(19,727,230)	898,936	(57,660)	(1,176,503)
-	-	-	32,079
1,881,800	-	187,151	20,667,889
-	-	(374,488)	(20,667,889)
1,881,800	-	(187,337)	32,079
(17,845,430)	898,936	(244,997)	(1,144,424)
38,515,006	11,958,829	2,360,326	131,321,970
$ 20,669,576	$ 12,857,765	$ 2,115,329	$ 130,177,546

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, 2010

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

Net change in fund balances - total governmental funds	$	(1,144,424)
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.		17,659,170
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		3,450,399
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(973,105)
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.		10,070,000
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.		(144,603)
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.		1,142,669
Change in net assets - governmental activities	$	30,060,106

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

DECEMBER 31, 2010

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 24,806,128	$ 1,774,879	$ 26,581,007	$ 4,017,697
Investments	32,279,594	-	32,279,594	2,662,217
Receivables (net of allowance for uncollectibles)	3,127,065	343,872	3,470,937	40,455
Inventories	981,669	-	981,669	252,159
Prepaid items	-	-	-	348,728
Restricted assets:				
Cash	22,190,583	-	22,190,583	-
Total current assets	83,385,039	2,118,751	85,503,790	7,321,256
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	57,683,199	589,730	58,272,929	60,766
Capital assets, being depreciated	429,599,593	1,736,893	431,336,486	5,795,381
Less accumulated depreciation	(71,514,906)	(782,231)	(72,297,137)	(3,574,310)
Total capital assets, net of accumulated depreciation	415,767,886	1,544,392	417,312,278	2,281,837
Deferred charges	1,679,439	-	1,679,439	-
Total noncurrent assets	417,447,325	1,544,392	418,991,717	2,281,837
Total assets	500,832,364	3,663,143	504,495,507	9,603,093
LIABILITIES				
Current liabilities:				
Accounts payable	3,670,021	31,885	3,701,906	519,786
Accrued expenses	1,920,692	-	1,920,692	-
Customer deposits payable	2,524,038	-	2,524,038	-
Unearned revenue	19,489,990	-	19,489,990	1,675
Claims payable, current	-	-	-	1,518,000
Compensated absences, current	344,378	26,192	370,570	339,425
Landfill postclosure, current	-	102,260	102,260	-
Revenue bonds payable, current	3,430,000	-	3,430,000	-
Total current liabilities	31,379,119	160,337	31,539,456	2,378,886
Long-term liabilities:				
Advance from other funds	-	74,601	74,601	49,532
Claims payable	-	-	-	492,000
Compensated absences	83,196	6,328	89,524	285,418
Landfill postclosure	-	1,840,678	1,840,678	-
Revenue bonds payable	156,043,935	-	156,043,935	-
Total long-term liabilities	156,127,131	1,921,607	158,048,738	826,950
Total liabilities	187,506,250	2,081,944	189,588,194	3,205,836
NET ASSETS				
Invested in capital assets, net of related debt	274,343,034	1,544,392	275,887,426	2,281,837
Restricted for debt service	4,141,500	-	4,141,500	-
Unrestricted	34,841,580	36,807	34,878,387	4,115,420
Total net assets	$ 313,326,114	$ 1,581,199	314,907,313	$ 6,397,257
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			438,697	
Net assets of business-type activities			$ 315,346,010	

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, 2010

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 20,678,766	$ -	$ 20,678,766	$ -
Sewer sales	9,014,670	-	9,014,670	-
Other	462,190	87,685	549,875	15,699,500
Recycling and transfer fees	-	1,139,209	1,139,209	-
Insurance recoveries	-	-	-	67,062
Other operating income	-	-	-	238,994
Total operating revenues	30,155,626	1,226,894	31,382,520	16,005,556
OPERATING EXPENSES				
Salaries and benefits	5,056,194	449,692	5,505,886	6,442,619
Supplies and maintenance	8,039,238	147,981	8,187,219	5,803,150
Claims	-	-	-	1,356,989
Insurance premiums	-	-	-	1,012,571
General and administrative	-	-	-	25,305
Depreciation and amortization expense	8,561,985	56,832	8,618,817	615,488
Landfill postclosure	-	16,883	16,883	-
Water purchases	3,833,938	-	3,833,938	-
Sewer flow costs	2,824,607	-	2,824,607	-
Total operating expenses	28,315,962	671,388	28,987,350	15,256,122
Operating income	1,839,664	555,506	2,395,170	749,434
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	775,661	1,383	777,044	48,694
Interest expense	(4,051,666)	-	(4,051,666)	-
Contributions	-	304	304	-
Intergovernmental	-	1,680	1,680	436,735
Loss on disposal of capital asset	-	-	-	(8,065)
Total nonoperating revenues (expenses)	(3,276,005)	3,367	(3,272,638)	477,364
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,436,341)	558,873	(877,468)	1,226,798
Capital contributions	28,018,803	-	28,018,803	-
Change in net assets	26,582,462	558,873	27,141,335	1,226,798
NET ASSETS, beginning of year, restated	286,743,652	1,022,326		5,170,459
NET ASSETS, end of year	$ 313,326,114	$ 1,581,199		$ 6,397,257
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			84,129	
Change in net assets of business-type activities			$ 27,225,464	

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, 2010

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 27,271,547	$ 1,125,045	$ 28,396,592	$ 17,863,408
Payments to suppliers and service providers	(13,264,399)	(257,495)	(13,521,894)	(8,187,296)
Payments to employees	(5,009,106)	(432,389)	(5,441,495)	(8,235,290)
Net cash provided by operating activities	8,998,042	435,161	9,433,203	1,440,822
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	(725,558)	-	(725,558)	(51,609)
Interest received	821,336	1,383	822,719	53,852
Net cash provided by investing activities	95,778	1,383	97,161	2,243
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(11,103,901)	-	(11,103,901)	(565,622)
Principal payment on bonds	(3,295,000)	-	(3,295,000)	-
Interest paid	(6,335,980)	-	(6,335,980)	-
Intergovernmental grants received	-	1,680	1,680	436,735
Capital contributions received	3,643,620	-	3,643,620	-
Net cash provided by (used in) capital and related financing activities	(17,091,261)	1,680	(17,089,581)	(128,887)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Contributions	-	304	304	-
Repayment of advances	-	(24,868)	(24,868)	(26,417)
Net cash used in noncapital financing activities	-	(24,564)	(24,564)	(26,417)
Net increase (decrease) in cash and cash equivalents	(7,997,441)	413,660	(7,583,781)	1,287,761
Cash and cash equivalents:				
Beginning of year	54,994,152	1,361,219	56,355,371	2,729,936
End of year	$ 46,996,711	$ 1,774,879	$ 48,771,590	$ 4,017,697
Classified as:				
Cash	$ 24,806,128	$ 1,774,879	$ 26,581,007	$ 4,017,697
Restricted cash	22,190,583	-	22,190,583	-
Total	$ 46,996,711	$ 1,774,879	$ 48,771,590	$ 4,017,697
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 1,839,664	$ 555,506	$ 2,395,170	$ 749,434
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	8,561,985	56,832	8,618,817	615,488
Decrease (increase) in accounts receivable	218,017	(101,849)	116,168	(2,708)
Decrease in due from other funds	-	-	-	1,860,560
Decrease (increase) in inventories	(314,832)	-	(314,832)	15,385
Increase in prepaid expenses	-	-	-	(25,868)
Increase (decrease) in accounts payable	1,697,752	(2,392)	1,695,360	111,652
Increase (decrease) in accrued expenses	39,156	-	39,156	(130,450)
Increase in customer deposits payable	166,288	-	166,288	-
Decrease in due to other funds	(154,980)	(12,231)	(167,211)	(1,860,560)
Decrease in unearned revenue	(3,102,096)	-	(3,102,096)	-
Increase in compensated absences	47,088	17,303	64,391	67,889
Increase in claims payable	-	-	-	40,000
Decrease in landfill postclosure care costs	-	(78,008)	(78,008)	-
Net cash provided by operating activities	$ 8,998,042	$ 435,161	$ 9,433,203	$ 1,440,822
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 24,375,183	$ -	$ 24,375,183	$ -

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

ASSETS	Agency Funds	Pension Trust Fund
Cash	$ 4,735,739	$ 199,222
Mutual funds	-	7,589,830
Taxes receivable	10,976,927	-
Other receivable	49,489	91,354
Total assets	15,762,155	7,880,406
LIABILITIES		
Due to others	4,785,228	-
Uncollected taxes	10,976,927	-
Total liabilities	15,762,155	-
NET ASSETS		
Net assets held in trust for pension benefits	$ -	$ 7,880,406

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 1,288,250
Investment income	1,050,666
Less investment expense	(16,133)
Net investement income	1,034,533
Total additions	2,322,783
DEDUCTIONS	
Benefit payments	446,875
Total deductions	446,875
Change in net assets	1,875,908
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	6,004,498
End of year	$ 7,880,406

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 (Continued)

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. 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, 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, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of 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 or amortized 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
Intangible assets	7 - 11
Infrastructure	20 - 50

However, it should be noted that a significant majority of the County's sewer rights were purchased with indefinite lives and therefore are not subject to amortization of the cost. Those rights will be carried on the financial statements at original cost, similar to a non-depreciable asset.

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 as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 $153,606,742 difference are as follows:

Bonds payable	$ (137,210,000)
Unamortized premiums	(2,897,874)
Cost of issuance	818,776
Deferred charges on refundings	2,055,231
Certificates of participation	(7,777,000)
Accrued interest	(2,192,525)
Net OPEB obligation	(327,722)
Compensated absences	(6,075,628)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ (153,606,742)

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 $17,659,170 difference are as follows:

Capital outlay	$	34,700,681
Depreciation expense		(17,041,511)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	17,659,170

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 $3,450,399 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.	$	(1,257,090)
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.		4,707,489
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	3,450,399

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 $144,603 difference are as follows:

Compensated absences	$	(1,075,510)
Net OPEB obligation		(127,542)
Net pension asset		373,193
Amortization		522,820
Accrued interest		162,436
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	(144,603)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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)

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.

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

The 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 participants' 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, 2010, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2010, the County's bank balances were collateralized as defined by State statutes and GASB.

At December 31, 2010, 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	$ 18,725,601	$ -	$ -	Aaa	$ 18,725,601
United States Treasuries	3,459,138	22,762,897	-	AAA	26,222,035
Georgia Fund 1	89,135,699	-	-	AAAm	89,135,699
Federal Home Loan Mortgage Corp.	1,842,171	11,348,426	-	AAA	13,190,597
Federal Home Loan Bank	516,145	2,554,435	-	AAA	3,070,580
Federal National Mortgage Assn	1,538,145	17,669,314	-	AAA	19,207,459
Wells Fargo Institutional Treasury MM	252,804	-	-	AAA	252,804
First American Treasury MM	49,362,696	-	-	*	49,362,696
Wells Fargo Institutional Cash MM	199,222	-	-	Aaa	199,222
Guaranteed Investment Contract	-	-	5,165,371	(a)	5,165,371
Mutual Funds - Pension	7,589,830	-	-	(b)	7,589,830
	$ 172,621,451	$ 54,335,072	$ 5,165,371		$ 232,121,894

* 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 2 - 5 stars by Morningstar

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, 2010, 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	$ 3,375,102	$ 1,307,009	$ 687,724	$ -
Other governments	3,152,465	-	-	3,091,062
Accounts	658,949	12,665	-	-
Gross receivables	7,186,516	1,319,674	687,724	3,091,062
Less allowance for uncollectibles	-	-	-	-
Net receivables	$ 7,186,516	$ 1,319,674	$ 687,724	$ 3,091,062

	Capital Projects Fund	Water & Sewerage Authority	Solid Waste Disposal Facility	Nonmajor Governmental Funds
Receivables:				
Taxes	$ -	$ -	$ -	$ -
Other governments	325,006	-	-	-
Accounts	1,395	4,944,585	343,872	519,931
Gross receivables	326,401	4,944,585	343,872	519,931
Less allowance for uncollectibles	-	(1,817,520)	-	-
Net receivables	$ 326,401	$ 3,127,065	$ 343,872	$ 519,931

Property taxes for the 2010 fiscal year were levied on October 31, 2009, with property values assessed as of January 1, 2009. Bills are payable on or before December 20, 2009, 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 2010 are for fiscal year 2011. Amounts recorded as a receivable and amounts collected as of December 31, 2010 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, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 378,879,649	$ 3,951,006	$ -	$ 175,500	$ 383,006,155
Infrastructure land improvements	146,997,108	146,566	-	5,841,820	152,985,494
Construction in progress	53,920,659	30,209,255	(1,195,561)	(27,405,548)	55,528,805
Total capital assets, not being depreciated	579,797,416	34,306,827	(1,195,561)	(21,388,228)	591,520,454
Capital assets, being depreciated:					
Buildings and improvements	79,914,980	4,333,989	(47,500)	152,760	84,354,229
Machinery and equipment	37,192,781	104,498	-	668,298	37,965,577
Vehicles	24,113,136	650,517	(388,973)	205,644	24,580,324
Infrastructure	238,470,811	586,264	-	20,361,526	259,418,601
Total capital assets, being depreciated	379,691,708	5,675,268	(436,473)	21,388,228	406,318,731
Less accumulated depreciation for:					
Buildings and improvements	16,791,894	2,145,457	(47,500)	-	18,889,851
Machinery and equipment	19,533,290	3,123,666	-	-	22,656,956
Vehicles	14,657,435	2,463,115	(310,839)	-	16,809,711
Infrastructure	107,328,453	9,924,524	-	-	117,252,977
Total accumulated depreciation	158,311,072	17,656,762	(358,339)	-	175,609,495
Total capital assets, being depreciated, net	221,380,636	(11,981,494)	(78,134)	21,388,228	230,709,236
Governmental activities capital assets, net	$ 801,178,052	$ 22,325,333	$ (1,273,695)	$ -	$ 822,229,690

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	$ 28,728,892	$ 13,826	$ -	$ -	$ 28,742,718
Sewer capacity rights	7,574,500	-	-	-	7,574,500
Construction in progress	11,581,104	13,340,883	(408)	(2,965,868)	21,955,711
Total capital assets, not being depreciated	47,884,496	13,354,709	(408)	(2,965,868)	58,272,929
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	6,402,542	8,450,705	-	2,806,699	17,659,946
Machinery and equipment	5,857,688	-	-	119,915	5,977,603
Vehicles	2,087,087	33,001	-	-	2,120,088
Sewer capacity rights	3,328,100	-	-	-	3,328,100
Infrastructure	386,379,787	15,936,052	(469,597)	39,254	401,885,496
Total capital assets, being depreciated	404,420,457	24,419,758	(469,597)	2,965,868	431,336,486
Less accumulated depreciation for:					
Land improvements	97,840	13,248	-	-	111,088
Buildings and improvements	1,148,431	154,609	-	-	1,303,040
Machinery and equipment	3,022,721	119,024	-	-	3,141,745
Vehicles	1,546,568	138,922	-	-	1,685,490
Sewer capacity rights	816,015	329,217	-	-	1,145,232
Infrastructure	57,218,075	7,692,467	-		64,910,542
Total accumulated depreciation	63,849,650	8,447,487	-	-	72,297,137
Total capital assets, being depreciated, net	340,570,807	15,972,271	(469,597)	2,965,868	359,039,349
Business-type activities capital assets, net	$ 388,455,303	$ 29,326,980	$ (470,005)	$ -	$ 417,312,278

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	$ 1,115,930
Judicial	477,727
Public safety	3,936,854
Public works	10,648,033
Health and welfare	135,825
Culture and recreation	1,225,085
Housing and development	117,308
Total depreciation expense - governmental activities	$17,656,762
Business-type activities:	
Water and Sewerage Authority	$ 8,390,655
Solid Waste Disposal Facility	56,832
Total depreciation expense - business-type activities	$ 8,447,487

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	(29,121)	(3,596)	-	(32,717)
Total	(29,121)	(3,596)	-	(32,717)
Total capital assets, being depreciated, net	$ 12,554	$ (3,596)	$ -	$ 8,958

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
CIP	$ 3,562,581	$ 783,991	$ (4,340,878)	$ 5,694
Total	3,562,581	783,991	(4,340,878)	5,694
Capital assets, being depreciated:				
Machinery and equipment	1,133,668	827,663	(6,200)	1,955,131
Books and collections	3,925,147	1,270,117	(272,700)	4,922,564
Total	5,058,815	2,097,780	(278,900)	6,877,695
Less accumulated depreciation for:				
Machinery and equipment	(738,878)	(159,228)	6,200	(891,906)
Books and collections	(2,812,726)	(738,384)	272,700	(3,278,410)
Total	(3,551,604)	(897,612)	278,900	(4,170,316)
Total capital assets, being depreciated, net	1,507,211	1,200,168	-	2,707,379
Total capital assets, net	$ 5,069,792	$ 1,984,159	$ (4,340,878)	$ 2,713,073

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2010, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	SPLOST Fund	$ 8,300,000
General Fund	Nonmajor governmental funds	6,241
		$ 8,306,241

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, (3) payments between funds are made, and (4) the transaction involving SPLOST funds relates to eligible road projects which were advance funded by the General Fund and are being reimbursed with SPLOST funds as they are available.

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

Interfund transfers for the year ended December 31, 2010 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor governmnental funds	$ 374,488
General Fund	SPLOST Fund	8,300,000
Debt Service Fund	SPLOST Fund	9,885,100
Capital Projects Fund	General Fund	1,881,800
Nonmajor governmental funds	General Fund	187,151
Fire District Fund	General Fund	39,350

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, (3) to move eligible SPLOST funds to cover road projects originally paid and expended in the General Fund in prior years, in anticipation of sufficient SPLOST funds to cover costs, and (4) 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	$ 35,766
Capital Projects Fund	Solid Waste Disposal Facility	74,601
Capital Projects Fund	Internal Service Funds	49,532
		$ 159,899

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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 147,280,000	$ -	$ (10,070,000)	$ 137,210,000	$ 10,870,000
Less: Deferred amounts on refundings	(2,277,419)	-	222,188	(2,055,231)	-
Plus: Premiums	3,795,501	-	(897,627)	2,897,874	-
Total bonds payable	148,798,082	-	(10,745,439)	138,052,643	10,870,000
Certificates of participation	7,777,000	-	-	7,777,000	-
Less: MV Derivative	(1,058,476)	(80,374)	-	(1,138,850)	-
Total certificates of participation	6,718,524	(80,374)	-	6,638,150	-
Net OPEB obligation	200,180	127,542	-	327,722	-
Compensated absences	5,557,072	9,282,150	(8,138,751)	6,700,471	5,360,377
Claims payable	1,970,000	1,456,105	(1,416,105)	2,010,000	1,518,000
Governmental activities long-term liabilities	$ 163,243,858	$ 10,785,423	$ (20,300,295)	$ 153,728,986	$ 17,748,377
Business-type Activities:					
Bonds payable	$ 163,495,000	$ -	$ (3,295,000)	$ 160,200,000	$ 3,430,000
Less: Deferred amounts on refundings	(2,085,876)	-	159,669	(1,926,207)	-
Less: Discounts	(361,096)	-	29,207	(331,889)	-
Plus: Premiums	1,631,245	-	(99,214)	1,532,031	-
Total bonds payable	162,679,273	-	(3,205,338)	159,473,935	3,430,000
Landfill postclosure costs	2,020,946	-	(78,008)	1,942,938	102,260
Compensated absences	395,703	1,230,591	(1,166,200)	460,094	370,570
Business-type activities long-term liabilities	$ 165,095,922	$ 1,230,591	$ (4,449,546)	$ 161,876,967	$ 3,902,830

For governmental activities, compensated absences, OPEB obligations, and claims and judgments are liquidated by the Workers Compensation and Risk Management Funds. 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 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
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	4,590,000	4,636,631	9,226,631
2016 - 2020	34,365,000	19,110,256	53,475,256
2021 - 2025	32,100,000	11,094,472	43,194,472
2026 - 2028	27,265,000	2,104,875	29,369,875
Total	$ 137,210,000	$ 59,109,775	$ 196,319,775

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. Monthly interest payments between the County, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the 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. This derivative qualifies as a fair market hedge. 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, 2010, the floating rate being paid by the County is 0.65% and the market value of this agreement is $1,138,850, an increase of $80,374 from the prior year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2010 based on the derivative contract.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Certificates of Participation (Continued). This market value is reported as a component of the certificates of participation in long-term debt in the Statement of Net Assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the Statement of Net Assets.

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

	Principal	Interest	Total
Fiscal Year Ending December 30,			
2011	$ -	$ 369,408	$ 369,408
2012	-	369,408	369,408
2013	-	369,408	369,408
2014	-	369,408	369,408
2015	-	369,408	369,408
2016-2020	-	1,847,038	1,847,038
2021-2025	-	1,847,038	1,847,038
2026-2028	7,777,000	923,520	8,700,520
Total	$ 7,777,000	$ 6,464,636	$ 14,241,636

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.

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, 2010 of 0.345% 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)

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

Year ending December 31,	Principal	Interest	Total
2011	$ 3,430,000	$ 6,158,043	$ 9,588,043
2012	3,560,000	6,028,079	9,588,079
2013	3,700,000	5,890,480	9,590,480
2014	3,845,000	5,745,393	9,590,393
2015	3,995,000	5,591,748	9,586,748
2016 - 2020	22,925,000	25,013,064	47,938,064
2021 - 2025	29,095,000	18,843,986	47,938,986
2026 - 2030	37,020,000	11,184,986	48,204,986
2031 - 2035	46,710,000	3,657,866	50,367,866
2036 - 2037	5,920,000	2,791,894	8,711,894
Total	$ 160,200,000	$ 90,905,539	$ 251,105,539

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, 2010, the County has 19 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,943,000 over the 19-year period. These costs are based on what it would cost to perform all post-closure care in 2010, 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.

B. Discretely Presented Component Unit – Health Department

Debt activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	$ 76,193	$ 60,724	$ (52,907)	$ 84,010	$ 53,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Library System

The Library's long-term debt activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Capital Leases	$ 6,106	$ -	$ 896	$ 5,210	$ 1,080
Compensated absences	238,325	148,431	153,006	233,750	140,250
Total	$ 244,431	$ 148,431	$ 153,902	$ 238,960	$ 141,330

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, 2010, the Library had $4,274, net of depreciation, of machinery and equipment under a capital lease.

At June 30, 2010, future lease payments for the capital lease payable are as follows:

Year ending June 30,	Principal	Interest	Total
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	$ 5,210	$ 1,208	$ 6,418

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 does not issue a stand-alone report.

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 Wells Fargo Institutional Retirement and Trust, covers 84 full-time employees of the County as of January 1, 2011. The County's payroll for employees participating in the Plan as of January 1, 2011, (the most recent actuarial valuation date) was $2,775,052 (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. The Plan is closed to new entrants. 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, 2011, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	35
Terminated vested participants not yet receiving benefits	6
Active participants	43
	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 Wells Fargo & Company.

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, 2011, (the most recent actuarial valuation date) are as follows:

	January 1, 2011	January 1, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 752,501	$ 907,259
Interest on Net Pension Obligation	(176,763)	(155,393)
Adjustment of Net Pension Obligation	185,634	163,191
Annual Pension Cost	$ 761,372	$ 915,057

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 915,057
Actual Contributions to Plan for Current Year	1,288,250
Increase in Net Pension Obligation (Asset)	(373,193)
Net Pension Obligation (Asset) as of December 31, 2009	(2,071,903)
Net Pension Obligation (Asset) as of December 31, 2010	$ (2,445,096)

Basis of Valuation	
Current Valuation Date	January 1, 2011
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
1/1/2011	$ 7,792,156	$ 13,970,793	$ 6,178,637	55.77 %	$ 2,775,052	222.65 %

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, 2011.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/10	$ 915,057	$ 1,288,250	140.8 %	$ (2,445,096)
12/31/09	769,435	796,399	103.5	(2,071,903)
12/31/08	581,246	626,061	107.7	(2,044,939)

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 3% of their salary. After 10 years of service, the County will match 50% of an employee's contribution of up to an additional 3%. In addition, after three years of service, the County contributes 3% of an employee's pensionable earnings to the plan regardless of whether the employee contributes. In 2010, employee contributions were $1,308,270 and County contributions were $1,255,641. 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-EMPLOYMENT 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 five 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, 2009, 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-EMPLOYMENT 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 years beginning January 1, 2010 and January 1, 2009, are as follows:

	January 1, 2010	January 1, 2009
Derivation of Annual OPEB Cost		
Annual Required Contribution	$ 215,000	$ 206,000
Interest on Net OPEB Obligation	9,000	4,000
Adjustment to the ARC	(18,000)	(9,000)
Annual OPEB Cost	$ 206,000	$ 201,000
Derivation of Net OPEB Obligation		
Annual OPEB Cost for Current Year		$ 206,000
Actual Contributions to Plan for Current Year		78,458
Increase in Net OPEB Obligation		127,542
Net OPEB Obligation as of December 31, 2009		200,180
Net OPEB Obligation as of December 31, 2010		$ 327,722

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-EMPLOYMENT 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
12/31/10	$ 206,000	$ 78,458	38.1 %	$ 327,722
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, 2010, 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
2010	$ 474,020	$ 9,450,430	$ 9,018,882	$ 905,568
2009	$ 779,271	$ 10,478,056	$ 10,783,307	$ 474,020

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 Fund 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, 2010, 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 workers' 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, 2010, an actuary determined that an estimated $1,290,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2010 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
2010	$ 1,140,000	$ 999,817	$ 849,817	$ 1,290,000
2009	$ 1,420,000	$ 148,890	$ 428,890	$ 1,140,000

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, 2010, an actuary determined that an estimated $720,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2010 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
2010	$ 830,000	$ 456,288	$ 566,288	$ 720,000
2009	$ 755,000	$ 895,809	$ 820,809	$ 830,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2010, the County has contractual commitments on uncompleted contracts of approximately $15,801,323.

Litigation

The County is involved in several pending lawsuits. As of December 31, 2010, 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 $214,497 to $224,497.

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, 2010, the County paid $194,357 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 5% lodging tax. During the year ended December 31, 2010, the County collected $214,419 in revenues. Of this amount $214,419, or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 16. SUBSEQUENT EVENTS

On February 24, 2011, the Forsyth County Water & Sewerage Authority (the Authority), a blended component unit of Forsyth County, Georgia, issued Refunding Revenue Bonds, Series 2011 (the Bonds) in the face amount of $28,480,000. The proceeds of the Series 2011 Bonds will be used to refund (i) all of the Authority's Revenue Bonds, Series 1998, maturing on April 1, 2011 and thereafter in the aggregate principal amount of $1,420,000, and (ii) a portion of the Authority's Refunding Revenue Bonds, Series 2001, maturing from April 1, 2012 and thereafter, in the aggregate principal amount of $27,955,000. The Bonds will be repaid from payments made to the Authority by the County for the lease and operation of the water and sewer system as well as the net revenues of the system. Interest on the Bonds is payable semiannually on April 1 and October 1 of each year, commencing on April 1, 2011. Principal payments commence in 2012 with final maturity coming in 2025.

In May 2011, the Forsyth County Water & Sewerage Authority (the Authority), a blended component unit of Forsyth County, Georgia, issued a GEFA Note in the amount of $7,800,000. The GEFA Note will be used for construction of the water and sewer infrastructure.

NOTE 17. RESTATEMENT OF OPENING EQUITY

The County has determined that a restatement of beginning fund balance of the General Fund is necessary to show the change in accounting policies as the County has determined the accrual of adjudicated fines is not measurable and, therefore, not susceptible to accrual. The adjustment resulted in a change to the beginning fund balance of the General Fund as follows:

	General Fund
Fund balance, as previously reported	$ 14,736,028
Adjustment for change in accounting policy for accrual of fines receivable	(120,136)
Fund balance, as restated	$ 14,615,892

The County has determined that a restatement of beginning net assets of the Water & Sewerage Authority is necessary to show the change in accounting policies as the County implemented the new accounting standard related to the reporting of intangible assets, as well as an adjustment to defer developer pre-paid sewer connection charges which were unearned as of December 31, 2009. These adjustments resulted in a change to the beginning net assets of the Water & Sewerage Authority as follows:

	Water & Sewerage Authority
Net assets, as previously reported	$ 284,008,507
Adjustments for change in accounting standards	4,958,178
Adjustment to defer unearned revenues recognized in prior years	(2,223,033)
Net assets, as restated	$ 286,743,652

NOTE 17. RESTATEMENT OF OPENING EQUITY (CONTINUED)

The County has determined that a restatement of beginning net assets of the Internal Service Funds was necessary to report the compensated absences on the funds to account for the liability under the full accrual method of accounting, rather than only accruing the liability at the Governmental Activities. This adjustment resulted in a change to the beginning net of the Internal Service Funds as follows:

	Internal Service Funds
Net assets, as previously reported	$ 5,727,413
Adjustments for reporting of compensated absences	(556,954)
Net assets, as restated	$ 5,170,459

The County has determined that a restatement of beginning net assets of the Governmental Activities is required to account for the change in accounting policies related to the accrual of adjudicated fines receivable, as noted in the General Fund, as well as the effect of the restatement to the Internal Service Funds which are allocated to Governmental Activities. These adjustments resulted in a change to the beginning net assets of the Governmental Activities as follows:

	Governmental Activities
Net assets, as previously reported	$ 776,783,152
Adjustment for change in accounting policy for accrual of fines receivable	(790,701)
Adjustment for reporting of Internal Service Funds	87,217
Net assets, as restated	$ 776,079,668

The County has determined that a restatement of beginning net assets of the Business-Type Activities is required to account for the change in accounting policies as the County implemented the new accounting standard related to the reporting of intangible assets, as well as an adjustment to defer developer pre-paid sewer connection charges which were unearned as of December 31, 2009. Additionally, the effect of the restatement to the Internal Service Funds causes a restatement of the equity being allocated to Business-Type Activities. These adjustments resulted in a change to the beginning net assets of the Business-Type Activities as follows:

	Business-Type Activities
Net assets, as previously reported	$ 285,472,618
Adjustment for change in accounting standards	4,958,178
Adjustment to defer unearned revenues recognized in prior years	(2,223,033)
Adjustment for reporting of Internal Service Funds	(87,217)
Net assets, as restated	$ 288,120,546

Required Supplementary Information

2010 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 61,148,500	$ 62,100,683	$ 67,975,419	$ 5,874,736
Licenses and permits	3,495,600	3,495,600	4,073,632	578,032
Intergovernmental	1,358,250	1,751,317	1,726,999	(24,318)
Fines and forfeitures	2,453,600	2,498,900	2,551,383	52,483
Charges for services	8,693,400	8,845,459	8,938,641	93,182
Interest income	517,200	517,200	510,518	(6,682)
Contributions	59,000	59,000	52,755	(6,245)
Miscellaneous	236,500	499,426	503,404	3,978
Total revenues	77,962,050	79,767,585	86,332,751	6,565,166
Expenditures:				
Current:				
General government:				
Board of commissioners	830,450	980,450	939,822	40,628
Administrative	760,900	824,291	815,765	8,526
Voter registration	1,165,700	1,165,700	1,036,940	128,760
Tax commissioner	2,485,300	2,929,333	2,929,333	-
Tax assessor	2,322,100	2,427,927	2,296,060	131,867
General engineering	1,961,350	2,211,550	2,161,989	49,561
Board of equalization	24,100	24,100	15,080	9,020
Regional development council	166,050	194,357	194,357	-
Other	50,000	50,000	-	50,000
Total general government	9,765,950	10,807,708	10,389,346	418,362
Judicial:				
Judicial administration	496,650	551,969	493,427	58,542
Superior court	598,800	644,401	625,107	19,294
Clerk superior court	2,411,000	2,438,000	2,324,064	113,936
District attorney	721,100	725,300	686,048	39,252
State court	960,400	969,400	939,007	30,393
Magistrate court	847,750	860,850	860,800	50
Probate court	655,300	655,300	650,433	4,867
Juvenile court	1,169,300	1,169,300	1,079,246	90,054
Solicitor-state court	1,456,550	1,470,525	1,401,764	68,761
Indigent defense	1,132,050	1,229,233	1,229,233	-
Pretrial services	156,100	153,865	150,332	3,533
Total judicial	10,605,000	10,868,143	10,439,461	428,682
Public safety:				
Sheriff	23,295,750	24,206,993	23,854,960	352,033
Detention center	5,785,200	7,557,788	7,521,561	36,227
Court services	2,905,800	3,035,337	3,035,337	-
Ambulance services	901,750	901,765	901,765	-
Dispatchers	-	25,950	24,844	1,106
Coroner and medical examiner	132,600	132,600	125,244	7,356
Animal control	699,800	730,800	724,337	6,463
Total public safety	33,720,900	36,591,233	36,188,048	403,185
Public works:				
General-public works	4,233,300	4,250,524	3,869,686	380,838
Storm water division	1,459,050	1,409,050	1,197,177	211,873
Traffic engineering	354,550	367,800	337,869	29,931
Total public works	6,046,900	6,027,374	5,404,732	622,642

(Continued)

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 288,900	$ 288,900	$ 257,188	$ 31,712
Senior citizens center	1,452,350	1,509,850	1,400,690	109,160
Community service	43,700	43,700	32,363	11,337
Transportation servcies	443,700	485,500	447,852	37,648
Mental health	113,200	113,200	100,012	13,188
Family and children services	263,250	278,250	261,267	16,983
Total health and welfare	2,605,100	2,719,400	2,499,372	220,028
Culture and recreation:				
Recreation	425,150	525,964	463,206	62,758
Parks	6,255,200	6,288,211	6,103,032	185,179
Library	4,252,450	4,252,450	4,187,474	64,976
Agencies	277,000	277,000	275,750	1,250
Total culture and recreation	11,209,800	11,343,625	11,029,462	314,163
Housing and development:				
Conservation	125,300	125,300	109,305	15,995
Forestry	1,850	-	-	-
Planning and zoning	3,307,000	3,440,698	3,161,167	279,531
Code enforcement	613,250	613,250	565,203	48,047
Economic development	120,000	120,000	65,000	55,000
County agent	231,700	231,700	222,506	9,194
Total housing and development	4,399,100	4,530,948	4,123,181	407,767
Total expenditures	78,352,750	82,888,431	80,073,602	2,814,829
Excess (deficiency) of revenues over expenditures	(390,700)	(3,120,846)	6,259,149	9,379,995
Other financing sources (uses):				
Proceeds from sale of assets	10,000	10,000	32,079	22,079
Transfers in	-	379,750	8,674,488	8,294,738
Transfers out	(648,900)	(1,100,750)	(2,108,301)	(1,007,551)
Total other financing sources (uses)	(638,900)	(711,000)	6,598,266	7,309,266
Net change in fund balances	(1,029,600)	(3,831,846)	12,857,415	16,689,261
Fund balances, beginning of year, restated	14,615,892	14,615,892	14,615,892	-
Fund balances, end of year	$ 13,586,292	$ 10,784,046	$ 27,473,307	$ 16,689,261

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FIRE DISTRICT FUND

FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 16,267,200	$ 16,267,200	$ 17,075,997	$ 808,797
Intergovernmental	30,000	20,500	20,600	100
Interest income	31,450	31,450	42,950	11,500
Contributions	5,000	5,000	11,500	6,500
Miscellaneous	59,950	59,950	68,008	8,058
Total revenues	16,393,600	16,384,100	17,219,055	834,955
Expenditures:				
Current:				
Public safety	16,186,450	16,178,800	13,976,472	2,202,328
Total expenditures	16,186,450	16,178,800	13,976,472	2,202,328
Excess of revenues over expenditures	207,150	205,300	3,242,583	3,037,283
Other financing sources:				
Transfers in	-	1,850	39,350	37,500
Total other financing sources	-	1,850	39,350	37,500
Net changes in fund balances	207,150	207,150	3,281,933	3,074,783
Fund balances, beginning of year	439,752	439,752	439,752	-
Fund balances, end of year	$ 646,902	$ 646,902	$ 3,721,685	$ 3,074,783

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, 2011	$ 7,792,156	$ 13,970,793	$ 6,178,637	55.8%	$ 2,775,052	222.6%
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%

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 2010.
See assumptions used for this schedule in the notes to the financial statements.

Supplemental Information

2010 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, 2010

	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	$ 6,216	$ 328,088	$ 475,367	$ 284,632	$ 85,000	$ 156,053
Receivables, net of allowance for uncollectibles	22,361	1,636	466,323	-	-	8,369
Prepaid expenditures	-	2,537	-	-	-	-
Total assets	$ 28,577	$ 332,261	$ 941,690	$ 284,632	$ 85,000	$ 164,422
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 590	$ 7,563	$ 70,533	$ -	$ -	$ 964
Accrued expenditures	-	-	5,725	-	-	-
Due to other funds	-	-	-	-	-	6,241
Total liabilities	590	7,563	76,258	-	-	7,205
FUND BALANCES						
Reserved for:						
Encumbrances	-	-	22,173	-	-	-
Prepaids	-	2,537	-	-	-	-
Unreserved, undesignated	27,987	322,161	843,259	284,632	85,000	157,217
Total fund balances	27,987	324,698	865,432	284,632	85,000	157,217
Total liabilities and fund balances	$ 28,577	$ 332,261	$ 941,690	$ 284,632	$ 85,000	$ 164,422

Special Revenue Funds					Capital Projects Fund	
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
$ 52,040	$ 28,329	$ -	$ 3	$ 17,111	$ 283,508	$ 1,716,347
-	5,828	-	-	15,414	-	519,931
-	1,409	-	-	-	-	3,946
$ 52,040	$ 35,566	$ -	$ 3	$ 32,525	$ 283,508	$ 2,240,224
$ -	$ 754	$ -	$ -	$ 32,525	$ -	$ 112,929
-	-	-	-	-	-	5,725
-	-	-	-	-	-	6,241
-	754	-	-	32,525	-	124,895
-	-	-	-	-	99,330	121,503
-	1,409	-	-	-	-	3,946
52,040	33,403	-	3	-	184,178	1,989,880
52,040	34,812	-	3	-	283,508	2,115,329
$ 52,040	$ 35,566	$ -	$ 3	$ 32,525	$ 283,508	$ 2,240,224

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2010

	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	78,054	15,273	-	-	-	-
Fines and forfeitures	107,360	102,060	-	817,204	5,262	81,157
Charges for services	-	-	3,528,318	-	-	-
Interest income	-	261	706	1,681	-	71
Contributions and donations	-	5,385	-	12,741	-	-
Miscellaneous	-	-	-	-	-	1,718
Total revenues	185,414	122,979	3,529,024	831,626	5,262	82,946
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Judicial	342,150	-	-	-	-	106,735
Public safety	-	75,770	3,559,901	888,617	13,338	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	342,150	75,770	3,559,901	888,617	13,338	106,735
Excess (deficiency) of revenues over expenditures	(156,736)	47,209	(30,877)	(56,991)	(8,076)	(23,789)
Other financing sources (uses):						
Transfers in	187,151	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	187,151	-	-	-	-	-
Net change in fund balances	30,415	47,209	(30,877)	(56,991)	(8,076)	(23,789)
Fund balances (deficit), beginning of year	(2,428)	277,489	896,309	341,623	93,076	181,006
Fund balances, end of year	$ 27,987	$ 324,698	$ 865,432	$ 284,632	$ 85,000	$ 157,217

Special Revenue Funds					Capital Projects Fund	
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
$ -	$ -	$ -	$ -	$ 214,419	$ -	$ 214,419
-	18,258	-	37,890	-	-	149,475
13,464	26,167	-	-	-	226,189	1,378,863
-	-	-	-	-	-	3,528,318
49	23	-	1	-	378	3,170
-	-	-	-	-	-	18,126
-	4,070	-	-	-	-	5,788
13,513	48,518	-	37,891	214,419	226,567	5,298,159
-	-	-	37,890	-	-	37,890
19,777	33,858	-	-	-	-	502,520
-	3,766	-	-	-	-	4,541,392
-	-	-	-	214,419	-	214,419
-	-	-	-	-	59,598	59,598
19,777	37,624	-	37,890	214,419	59,598	5,355,819
(6,264)	10,894	-	1	-	166,969	(57,660)
-	-	-	-	-	-	187,151
-	-	(74,488)	-	-	(300,000)	(374,488)
-	-	(74,488)	-	-	(300,000)	(187,337)
(6,264)	10,894	(74,488)	1	-	(133,031)	(244,997)
58,304	23,918	74,488	2	-	416,539	2,360,326
$ 52,040	$ 34,812	$ -	$ 3	$ -	$ 283,508	$ 2,115,329

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 80,200	$ 91,883	$ 78,054	$ (13,829)
Fines and forfeitures	128,200	128,200	107,360	(20,840)
Total revenues	208,400	220,083	185,414	(34,669)
Expenditures:				
Current:				
Judicial	349,950	361,633	342,150	19,483
Total expenditures	349,950	361,633	342,150	19,483
Deficiency of revenues over expenditures	(141,550)	(141,550)	(156,736)	(15,186)
Other financing sources:				
Transfers in	108,900	108,900	187,151	78,251
Total other financing sources	108,900	108,900	187,151	78,251
Net changes in fund balances	(32,650)	(32,650)	30,415	63,065
Fund balances (deficit), beginning of year	(2,428)	(2,428)	(2,428)	-
Fund balances (deficit), end of year	$ (35,078)	$ (35,078)	$ 27,987	$ 63,065

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 22,750	$ 22,750	$ 15,273	$ (7,477)
Fines and forfeitures	84,500	84,500	102,060	17,560
Interest income	-	-	261	261
Contributions	5,000	5,000	5,385	385
Total revenues	112,250	112,250	122,979	10,729
Expenditures:				
Current:				
Public safety	127,750	127,750	75,770	51,980
Total expenditures	127,750	127,750	75,770	51,980
Net changes in fund balances	(15,500)	(15,500)	47,209	62,709
Fund balances, beginning of year	277,489	277,489	277,489	-
Fund balances, end of year	$ 261,989	$ 261,989	$ 324,698	$ 62,709

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,355,000	$ 3,355,000	$ 3,528,318	$ 173,318
Interest income	-	-	706	706
Total revenues	3,355,000	3,355,000	3,529,024	174,024
Expenditures:				
Current:				
Public safety	3,946,350	3,920,400	3,559,901	360,499
Total expenditures	3,946,350	3,920,400	3,559,901	360,499
Net changes in fund balances	(591,350)	(565,400)	(30,877)	534,523
Fund balances, beginning of year	896,309	896,309	896,309	-
Fund balances, end of year	$ 304,959	$ 330,909	$ 865,432	$ 534,523

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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 817,203	$ 817,204	$ 1
Interest income	-	-	1,681	1,681
Contributions	-	-	12,741	12,741
Total revenues	250,000	817,203	831,626	14,423
Expenditures:				
Current:				
Public safety	250,000	888,617	888,617	-
Total expenditures	250,000	888,617	888,617	-
Net changes in fund balances	-	(71,414)	(56,991)	14,423
Fund balances, beginning of year	341,623	341,623	341,623	-
Fund balances, end of year	$ 341,623	$ 270,209	$ 284,632	$ 14,423

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 11,000	$ 11,000	$ 5,262	$ (5,738)
Total revenues	11,000	11,000	5,262	(5,738)
Expenditures:				
Current:				
Public safety	11,000	13,338	13,338	-
Total expenditures	11,000	13,338	13,338	-
Net changes in fund balances	-	(2,338)	(8,076)	(5,738)
Fund balances, beginning of year	93,076	93,076	93,076	-
Fund balances, end of year	$ 93,076	$ 90,738	$ 85,000	$ (5,738)

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 80,000	$ 80,000	$ 81,157	$ 1,157
Interest income	-	-	71	71
Miscellaneous	23,100	23,100	1,718	(21,382)
Total revenues	103,100	103,100	82,946	(20,154)
Expenditures:				
Current:				
Judicial	102,800	106,735	106,735	-
Total expenditures	102,800	106,735	106,735	-
Net changes in fund balances	300	(3,635)	(23,789)	(20,154)
Fund balances, beginning of year	181,006	181,006	181,006	-
Fund balances, end of year	$ 181,306	$ 177,371	$ 157,217	$ (20,154)

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 10,000	$ 11,000	$ 13,464	$ 2,464
Interest income	-	-	49	49
Total revenues	10,000	11,000	13,513	2,513
Expenditures:				
Current:				
Judicial	10,000	30,000	19,777	10,223
Total expenditures	10,000	30,000	19,777	10,223
Net changes in fund balances	-	(19,000)	(6,264)	12,736
Fund balances, beginning of year	58,304	58,304	58,304	-
Fund balances, end of year	$ 58,304	$ 39,304	$ 52,040	$ 12,736

FORSYTH COUNTY, GEORGIA
DUI COURT SUPERVISOR

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 25,700	$ 25,700	$ 18,258	$ (7,442)
Fines and forfeitures	27,400	27,400	26,167	(1,233)
Interest income	-	-	23	23
Miscellaneous	-	-	4,070	4,070
Total revenues	53,100	53,100	48,518	(4,582)
Expenditures:				
Current:				
Judicial	53,250	53,250	33,858	19,392
Public safety	-	-	3,766	(3,766)
Total expenditures	53,250	53,250	37,624	15,626
Net changes in fund balances	(150)	(150)	10,894	11,044
Fund balances, beginning of year	23,918	23,918	23,918	-
Fund balances, end of year	$ 23,768	$ 23,768	$ 34,812	$ 11,044

FORSYTH COUNTY, GEORGIA
KEEP FORSYTH BEAUTIFUL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing uses:				
Transfers out	$ (74,488)	$ (74,488)	$ (74,488)	$ -
Total other financing uses	(74,488)	(74,488)	(74,488)	-
Net changes in fund balances	(74,488)	(74,488)	(74,488)	-
Fund balances, beginning of year	74,488	74,488	74,488	-
Fund balances, end of year	$ -	$ -	$ -	$ -

FORSYTH COUNTY, GEORGIA
UPPER CHATTAHOOCHEE BASIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 37,890	$ 37,890	$ 37,890	$ -
Interest	-	-	1	1
Total revenues	37,890	37,890	37,891	1
Expenditures:				
Current:				
General government	26,500	37,890	37,890	-
Total expenditures	26,500	37,890	37,890	-
Net changes in fund balances	11,390	-	1	1
Fund balances, beginning of year	2	2	2	-
Fund balances, end of year	$ 11,392	$ 2	$ 3	$ 1

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 226,750	$ 226,750	$ 214,419	$ (12,331)
Total revenues	226,750	226,750	214,419	(12,331)
Expenditures:				
Current:				
Housing and development	226,750	226,750	214,419	12,331
Total expenditures	226,750	226,750	214,419	12,331
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, 2010

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 11,814,494	$ 11,814,494	$ 12,179,437	$ 364,943
Investment income	68,000	68,000	65,108	(2,892)
Total revenues	11,882,494	11,882,494	12,244,545	362,051
Expenditures:				
General government	291,850	291,850	284,975	6,875
Debt service:				
Principal	10,070,000	10,070,000	10,070,000	-
Interest	7,022,150	7,022,150	6,821,227	200,923
Total expenditures	17,384,000	17,384,000	17,176,202	207,798
Deficiency of revenues over expenditures	(5,501,506)	(5,501,506)	(4,931,657)	569,849
Other financing sources:				
Transfers in	9,885,100	9,885,100	9,885,100	-
Total other financing sources	9,885,100	9,885,100	9,885,100	-
Net changes in fund balances	4,383,594	4,383,594	4,953,443	569,849
Fund balances, beginning of year	23,355,047	23,355,047	23,355,047	-
Fund balances, end of year	$ 27,738,641	$ 27,738,641	$ 28,308,490	$ 569,849

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2010

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	$ 88,299,122 (1)	$ 8,477,921	$ 96,777,043
Parks and recreation	12,250,000	12,250,000	7,850,999	70,368	7,921,367
Library facilities	4,762,000	4,762,000	3,359,337	769,579	4,128,916
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	17,727,673	61,856	17,789,529
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	$ 142,074,253	$ 9,379,724	$ 151,453,977
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 218,702,500	$ 218,702,500	$ 30,113,883	$ 12,941,489	$ 43,055,372
Public safety facilities	17,800,000	17,800,000	-	-	-
Park and recreation facilities	13,500,000	21,000,000	10,787,319	10,152,433	20,939,752
Library facilities	7,200,000	7,200,000	-	-	-
Cultural facilities	6,000,000	6,000,000	3,516,017	185,657	3,701,674
Payments to the City of Cumming	11,797,500	11,797,500	1,691,734	1,165,415	2,857,149
Total 2008 SPLOST	$ 275,000,000	$ 282,500,000	$ 46,108,953	$ 24,444,994	$ 70,553,947

(1) The beginning balance for roads, streets, and bridges was restated to properly reflect road projects paid for by the General Fund and incorrectly reported as SPLOST in prior years.

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, 2010

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
ASSETS				
Current assets:				
Cash	$ 2,017,322	$ 591,151	$ 155,407	$ 406,352
Investments	-	2,662,217	-	-
Receivables (net of allowance for uncollectibles)	300	18,853	10,914	-
Inventories	-	-	26,120	-
Prepaid items	278,808	-	-	69,920
Total current assets	2,296,430	3,272,221	192,441	476,272
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated	-	-	682,470	2,012,425
Less accumulated depreciation	-	-	(560,206)	(1,279,577)
Total capital assets, net of accumulated depreciation	-	-	122,264	732,848
Total assets	2,296,430	3,272,221	314,705	1,209,120
LIABILITIES				
Current liabilities:				
Accounts payable	133,232	207,491	27,008	4,875
Unearned revenue	-	-	-	-
Compensated absences due within one year	-	-	53,483	101,436
Claims payable, due within one year	556,000	962,000	-	-
Total current liabilities	689,232	1,169,491	80,491	106,311
Long-term liabilities:				
Advance from other funds	25,406	-	-	-
Compensated absences due in more than one year	-	-	213,933	25,359
Claims payable	164,000	328,000	-	-
Total long-term liabilities	189,406	328,000	213,933	25,359
Total liabilities	878,638	1,497,491	294,424	131,670
NET ASSETS				
Invested in capital assets	-	-	122,264	732,848
Unrestricted	1,417,792	1,774,730	(101,983)	344,602
Total net assets	$ 1,417,792	$ 1,774,730	$ 20,281	$ 1,077,450

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 100,256	$ 311,762	$ 136,254	$ 299,193	$ 4,017,697
-	-	-	-	2,662,217
-	-	-	10,388	40,455
-	-	226,039	-	252,159
-	-	-	-	348,728
100,256	311,762	362,293	309,581	7,321,256
-	9,440	-	51,326	60,766
394,325	782,811	574,063	1,349,287	5,795,381
(141,846)	(601,958)	(397,626)	(593,097)	(3,574,310)
252,479	190,293	176,437	807,516	2,281,837
352,735	502,055	538,730	1,117,097	9,603,093
8,289	761	12,237	125,893	519,786
-	-	-	1,675	1,675
3,966	47,841	72,956	59,743	339,425
-	-	-	-	1,518,000
12,255	48,602	85,193	187,311	2,378,886
-	-	10,825	13,301	49,532
991	11,960	18,239	14,936	285,418
-	-	-	-	492,000
991	11,960	29,064	28,237	826,950
13,246	60,562	114,257	215,548	3,205,836
252,479	190,293	176,437	807,516	2,281,837
87,010	251,200	248,036	94,033	4,115,420
$ 339,489	$ 441,493	$ 424,473	$ 901,549	$ 6,397,257

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
OPERATING REVENUES				
Charges for services	$ 1,193,300	$ 1,062,000	$ 3,373,800	$ 3,406,800
Insurance recoveries	25,756	40,046	1,260	-
Other operating income	-	-	60,479	-
Total operating revenues	1,219,056	1,102,046	3,435,539	3,406,800
OPERATING EXPENSES				
Salaries and benefits	3,550	-	2,240,833	1,363,243
Supplies and maintenance	-	-	1,067,983	1,429,529
Claims paid	507,172	849,817	-	-
Insurance premiums	644,499	368,072	-	-
General and administrative	25,305	-	-	-
Depreciation expense	-	-	106,992	261,036
Total operating expenses	1,180,526	1,217,889	3,415,808	3,053,808
Operating income (loss)	38,530	(115,843)	19,731	352,992
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	1,810	46,658	226	-
Intergovernmental	-	-	-	-
Loss on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	1,810	46,658	226	-
Change in net assets	40,340	(69,185)	19,957	352,992
NET ASSETS, beginning of year, restated	1,377,452	1,843,915	324	724,458
NET ASSETS, end of year	$ 1,417,792	$ 1,774,730	$ 20,281	$ 1,077,450

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 693,300	$ 1,322,000	$ 1,112,200	$ 3,536,100	$ 15,699,500
-	-	-	-	67,062
-	20,684	-	157,831	238,994
693,300	1,342,684	1,112,200	3,693,931	16,005,556
89,693	907,424	888,368	949,508	6,442,619
590,179	243,779	117,332	2,354,348	5,803,150
-	-	-	-	1,356,989
-	-	-	-	1,012,571
-	-	-	-	25,305
35,222	80,413	66,637	65,188	615,488
715,094	1,231,616	1,072,337	3,369,044	15,256,122
(21,794)	111,068	39,863	324,887	749,434
-	-	-	-	48,694
-	-	-	436,735	436,735
-	-	(8,065)	-	(8,065)
-	-	(8,065)	436,735	477,364
(21,794)	111,068	31,798	761,622	1,226,798
361,283	330,425	392,675	139,927	5,170,459
$ 339,489	$ 441,493	$ 424,473	$ 901,549	$ 6,397,257

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,218,756	$ 1,102,046	$ 4,435,656	$ 3,967,702
Payments to suppliers and service providers	(1,143,974)	(981,920)	(1,079,826)	(1,644,359)
Payments to employees	(3,550)	-	(3,200,649)	(1,907,468)
Net cash provided by operating activities	71,232	120,126	155,181	415,875
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	-	(51,609)	-	-
Interest received	1,810	51,816	226	-
Net cash provided by investing activities	1,810	207	226	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	-	(9,523)
Intergovernmental grant	-	-	-	-
Net cash used in capital and related financing activities	-	-	-	(9,523)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	(18,375)	-	-	-
Net cash used in noncapital financing activities	(18,375)	-	-	-
Net increase in cash and cash equivalents	54,667	120,333	155,407	406,352
Cash and cash equivalents:				
Beginning of year	1,962,655	470,818	-	-
End of year	$ 2,017,322	$ 591,151	$ 155,407	$ 406,352
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 38,530	$ (115,843)	$ 19,731	$ 352,992
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	106,992	261,036
Decrease (increase) in accounts receivable	(300)	-	150	-
Decrease in due from other funds	-	-	999,967	560,902
Decrease (increase) in inventory	-	-	(14,235)	8,567
Decrease (increase) in prepaids	44,052	-	-	(69,920)
Increase (decrease) in accounts payable	110,552	85,969	2,392	(40,577)
Decrease in accrued expenses	(11,602)	-	-	(112,900)
Decrease in due to other funds	-	-	(999,967)	(560,902)
Increase (decrease) in compensated absences	-	-	40,151	16,677
Increase (decrease) in claims payable	(110,000)	150,000	-	-
Net cash provided by operating activities	$ 71,232	$ 120,126	$ 155,181	$ 415,875

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 696,330	$ 1,342,684	$ 1,411,891	$ 3,688,343	$ 17,863,408
(599,046)	(248,011)	(98,388)	(2,391,772)	(8,187,296)
(87,175)	(901,151)	(1,173,640)	(961,657)	(8,235,290)
10,109	193,522	139,863	334,914	1,440,822
-	-	-	-	(51,609)
-	-	-	-	53,852
-	-	-	-	2,243
-	(9,440)	-	(546,659)	(565,622)
-	-	-	436,735	436,735
-	(9,440)	-	(109,924)	(128,887)
-	-	(3,609)	(4,433)	(26,417)
-	-	(3,609)	(4,433)	(26,417)
10,109	184,082	136,254	220,557	1,287,761
90,147	127,680	-	78,636	2,729,936
$ 100,256	$ 311,762	$ 136,254	$ 299,193	$ 4,017,697
$ (21,794)	$ 111,068	$ 39,863	$ 324,887	$ 749,434
35,222	80,413	66,637	65,188	615,488
3,030	-	-	(5,588)	(2,708)
-	-	299,691	-	1,860,560
-	-	21,053	-	15,385
-	-	-	-	(25,868)
(8,867)	(4,232)	(2,109)	(31,476)	111,652
-	-	-	(5,948)	(130,450)
-	-	(299,691)	-	(1,860,560)
2,518	6,273	14,419	(12,149)	67,889
-	-	-	-	40,000
$ 10,109	$ 193,522	$ 139,863	$ 334,914	$ 1,440,822

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, 2010

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 2,268,756	$ 163,325	$ 2,249,687	$ 9,304	$ 43,827	$ 840	$ 4,735,739
Other receivables	49,489	-	-	-	-	-	49,489
Taxes receivable	10,976,927	-	-	-	-	-	10,976,927
Total assets	$ 13,295,172	$ 163,325	$ 2,249,687	$ 9,304	$ 43,827	$ 840	$ 15,762,155
LIABILITIES							
Due to others	$ 2,318,245	$ 163,325	$ 2,249,687	$ 9,304	$ 43,827	$ 840	$ 4,785,228
Uncollected taxes	10,976,927	-	-	-	-	-	10,976,927
Total liabilities	$ 13,295,172	$ 163,325	$ 2,249,687	$ 9,304	$ 43,827	$ 840	$ 15,762,155

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
Tax Commissioner				
ASSETS				
Cash	$ 1,737,356	$ 230,945,472	$ (230,414,072)	$ 2,268,756
Other receivables	-	49,489	-	49,489
Taxes receivable	14,488,276	209,318,731	(212,830,080)	10,976,927
Total assets	$ 16,225,632	$ 440,313,692	$ (443,244,152)	$ 13,295,172
LIABILITIES				
Due to others	$ 1,737,356	$ 230,994,961	$ (230,414,072)	$ 2,318,245
Uncollected taxes	14,488,276	209,318,731	(212,830,080)	10,976,927
Total liabilities	$ 16,225,632	$ 440,313,692	$ (443,244,152)	$ 13,295,172
Sheriff				
ASSETS				
Cash	$ 159,842	$ 2,020,481	$ (2,016,998)	$ 163,325
Total assets	$ 159,842	$ 2,020,481	$ (2,016,998)	$ 163,325
LIABILITIES				
Due to others	$ 159,842	$ 2,020,481	$ (2,016,998)	$ 163,325
Total liabilities	$ 159,842	$ 2,020,481	$ (2,016,998)	$ 163,325
Clerk of Superior Court				
ASSETS				
Cash	$ 2,538,982	$ 14,103,762	$ (14,393,057)	$ 2,249,687
Total assets	$ 2,538,982	$ 14,103,762	$ (14,393,057)	$ 2,249,687
LIABILITIES				
Due to others	$ 2,538,982	$ 14,103,762	$ (14,393,057)	$ 2,249,687
Total liabilities	$ 2,538,982	$ 14,103,762	$ (14,393,057)	$ 2,249,687

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
Probate Court				
ASSETS				
Cash	$ 430,318	$ 451,629	$ (872,643)	$ 9,304
Total assets	$ 430,318	$ 451,629	$ (872,643)	$ 9,304
LIABILITIES				
Due to others	$ 430,318	$ 451,629	$ (872,643)	$ 9,304
Total liabilities	$ 430,318	$ 451,629	$ (872,643)	$ 9,304
Magistrate Court				
ASSETS				
Cash	$ 30,387	$ 836,194	$ (822,754)	$ 43,827
Total assets	$ 30,387	$ 836,194	$ (822,754)	$ 43,827
LIABILITIES				
Due to others	$ 30,387	$ 836,194	$ (822,754)	$ 43,827
Total liabilities	$ 30,387	$ 836,194	$ (822,754)	$ 43,827
Juvenile Court				
ASSETS				
Cash	$ 796	$ 39,359	$ (39,315)	$ 840
Total assets	$ 796	$ 39,359	$ (39,315)	$ 840
LIABILITIES				
Due to others	$ 796	$ 39,359	$ (39,315)	$ 840
Total liabilities	$ 796	$ 39,359	$ (39,315)	$ 840
Total Agency Funds				
ASSETS				
Cash	$ 4,897,681	$ 248,396,897	$ (248,558,839)	$ 4,735,739
Other receivables	-	49,489	-	49,489
Taxes receivable	14,488,276	209,318,731	(212,830,080)	10,976,927
Total assets	$ 19,385,957	$ 457,765,117	$ (461,388,919)	$ 15,762,155
LIABILITIES				
Due to others	$ 4,897,681	$ 248,446,386	$ (248,558,839)	$ 4,785,228
Uncollected taxes	14,488,276	209,318,731	(212,830,080)	10,976,927
Total liabilities	$ 19,385,957	$ 457,765,117	$ (461,388,919)	$ 15,762,155

Statistical Section

2010 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 88-94

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

Revenue Capacity 95-102

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

Debt Capacity 103-107

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 ..... 108 and 109

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 110-113

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 Nine Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	$ 697,529
Restricted:									
Debt service	-	-	2,811	3,998	4,852	6,498	7,446	23,355	28,451
Fire services	-	-	352	134	-	-	-	-	-
Capital projects	-	-	9,008	12,166	18,754	10,921	20,312	31,777	35,147
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	45,012
Total governmental activities net assets	$ 160,541	$ 184,997	$ 246,099	$ 309,283	$ 649,622	$ 725,105	$ 764,988	$ 776,783	$ 806,140
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	$ 275,887
Restricted	8,877	13,507	880	2,597	2,695	1,738	2,418	4,075	4,142
Unrestricted	5,814	1,123	25,238	31,506	49,403	59,703	57,755	45,253	35,317
Total business-type activities net assets	$ 116,755	$ 141,576	$ 175,466	$ 212,367	$ 264,434	$ 296,161	$ 296,953	$ 285,473	$ 315,346
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	$ 973,417
Restricted	8,877	13,507	19,113	22,872	26,569	33,110	44,416	59,207	67,740
Unrestricted	72,170	64,866	81,233	94,693	113,713	95,694	81,667	73,569	80,329
Total primary government net assets	$ 277,296	$ 326,573	$ 421,565	$ 521,650	$ 914,056	$ 1,021,266	$ 1,061,941	$ 1,062,256	$ 1,121,486

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.

From: Statement of Net Assets

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXPENSES									
Governmental activities:									
General Government	$ 5,711	$ 6,348	$ 7,911	$ 5,636	$ 11,914	$ 37,603	$ 29,262	$ 17,246 (1)	$ 14,181
Judicial	6,511	7,178	7,728	8,141	9,543	10,678	11,679	11,618	11,271
Public Safety	24,357	27,752	32,055	36,439	43,327	50,289	62,991	61,072	57,674
Public Works	9,265	10,833	13,051	16,866	27,449	9,289	16,198	15,913	15,791
Health and Welfare	3,309	1,474	1,645	1,736	2,138	2,409	3,059	2,483	2,529
Culture and Recreation	7,543	7,482	8,692	10,071	10,684	12,081	13,568	15,689	13,524
Housing and Development	3,117	3,195	3,479	4,107	5,094	6,759	7,168	5,717	4,460
Interest and paying agent fees	2,713	1,721	1,497	1,809	1,763	1,828	2,043	6,400 (2)	6,360
Total governmental activities expenses	62,526	65,983	76,058	84,805	111,912	130,936	145,968	136,138	125,790
Business-type activities:									
Water and sewer	18,730	19,523	20,602	24,629	48,518	39,617	38,322	32,521	32,283
Solid waste	611	408	429	1,571	835	557	985	599	671
Total business-type activities expenses	19,341	19,931	21,031	26,200	49,353	40,174	39,307	33,120	32,955
Total primary government expenses	$ 81,867	$ 85,914	$ 97,089	$ 111,005	$ 161,265	$ 171,110	$ 185,275	$ 169,258	$ 158,745
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
General Government	$ 2,485	$ 3,554	$ 4,524	$ 545	$ 464	$ 14,886	$ 11,699	$ 6,472	$ 5,896
Judicial	2,678	4,663	5,726	3,843	3,547	4,375	4,184	4,553	4,367
Public Safety	4,234	2,610	2,885	4,837	5,390	6,185	6,280	5,194	5,221
Public Works	534	10	164	113	100	20	181	1,132	1,938
Health and Welfare	13	-	-	-	2	8	26	67	69
Culture and Recreation	649	937	999	5,750	5,981	1,534	1,816	1,868	1,849
Housing and Development	4,071	4,901	5,179	6,796	7,456	364	381	2,588	2,800
Total charges for services	14,664	16,675	19,477	21,884	22,940	27,372	24,567	21,874	22,139
Operating grants and contributions	857	1,076	1,348	1,611	1,756	1,778	1,784	3,084	1,347
Capital grants and contributions	18,740	15,180	26,101	19,253	46,266	58,620	43,006	3,967 (3)	6,200
Total governmental activities program revenues	34,261	32,931	46,926	42,748	70,962	87,770	69,357	28,925	29,686
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	30,156
Solid waste	318	499	475	637	684	608	929	1,492	1,227
Total charges for services	17,696	13,952	16,045	19,766	26,405	42,285	21,079	29,900	31,383
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	28,019
Total business-type activities program revenues	24,188	30,203	55,964	62,418	76,885	68,393	36,639	35,465	59,401
Total primary government program revenues	$ 58,449	$ 63,134	$ 102,890	$ 105,166	$ 147,847	$ 156,163	$ 105,996	$ 64,390	$ 89,087

(continued)

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net (expense)/revenue									
Governmental activities	$ (28,265)	$ (33,052)	$ (29,132)	$ (42,057)	$ (40,950)	$ (43,166)	$ (76,611)	$ (107,213)	$ (96,104)
Business-type activities	4,847	10,272	34,933	36,218	27,532	28,219	(2,668)	2,345	26,446
Total primary government net expense	$ (23,418)	$ (22,780)	$ 5,801	$ (5,839)	$ (13,418)	$ (14,947)	$ (79,279)	$ (104,868)	$ (69,658)
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	$ 66,473
Sales Taxes	36,475	38,055	43,890	51,791	59,202	59,680	54,334	46,539	50,635
Insurance premium taxes	-	3,591	3,885	4,149	4,348	4,572	4,683	4,616	4,489
Real estate and recording taxes	-	3,317	2,080	3,238	4,183	2,885	2,012	-	-
Other taxes (old)	6,980	2,060	2,252	2,439	2,830	2,817	2,971		
Other taxes	6,980	5,377	4,332	5,677	7,013	5,702	4,983	2,810	2,898
Total taxes	62,077	69,210	85,630	100,596	113,503	112,264	113,433	117,174	124,495
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	1,149
Miscellaneous	55	165	(78)	233	98	-	-	2,673	520
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	126,164
Business-type activities:									
Investment earnings	1,545	851	533	684	2,279	3,509	3,460	594	777
Miscellaneous	-	-	-	-	-	-	-	-	2
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	779
Total primary government	$ 68,008	$ 72,057	$ 89,191	$ 105,924	$ 122,429	$ 122,310	$ 121,347	$ 121,510	$ 126,943
CHANGE IN NET ASSETS									
Governmental activities	$ 26,457	$ 24,456	$ 61,103	$ 63,182	$ 78,766	$ 75,635	$ 41,276	$ 13,703 (3)	$ 30,060
Business-type activities	18,133	24,821	33,889	36,902	30,245	31,728	792	2,939	27,225
Total primary government	$ 44,590	$ 49,277	$ 94,992	$ 100,085	$ 109,011	$ 107,363	$ 42,068	$ 16,642	$ 57,285

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.

From: Statement of Activities

FORSYTH COUNTY, GEORGIA

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	$ 853	$ 405	$ 47	$ -	$ 808	$ 292	$ 651	$ 173	$ 14,736 (1)	$ 22,925
Unreserved	29,812	30,019	35,036	42,789	48,238	40,857	33,083	27,026	- (1)	4,548
Total general fund	$ 30,665	$ 30,424	$ 35,083	$ 42,789	$ 49,046	$ 41,149	$ 33,734	$ 27,199	$ 14,736	$ 27,473
All other governmental funds										
Reserved	$ 11,209	$ 5,159	$ 1,797	$ 4,875	$ 16,298	$ 24,150	$ 30,361	$ 127,499	$ 106,055 (2)	$ 97,532
Unreserved, designated	-	-	-	-	-	-	-	-	8,300	-
Unreserved, reported in:										
Special revenue funds	4,044	4,854	6,025	6,110	3,977	1,526	669	1,883	1,935	4,988
Debt service funds					-	-	-	-	-	-
Capital projects funds	22,152	17,741	12,714	9,010	1,048	6,984	(8,597)	(7,123)	417	184
Total unreserved	26,196	22,595	18,739	15,120	5,025	8,510	(7,928)	(5,240)	10,652	5,172
Total all other governmental funds	$ 37,405	$ 27,754	$ 20,536	$ 19,995	$ 21,323	$ 32,660	$ 22,433	$ 122,259	$ 116,707	$ 102,704
Total reserved	$ 12,062	$ 5,564	$ 1,844	$ 4,875	$ 17,106	$ 24,442	$ 31,012	$ 127,672	$ 120,791	$ 120,457
Total unreserved	$ 56,008	$ 52,614	$ 53,775	$ 57,909	$ 53,263	$ 49,367	$ 25,155	$ 21,786	$ 10,652	$ 9,720
Total all funds	$ 68,070	$ 58,178	$ 55,619	$ 62,784	$ 70,369	$ 73,809	$ 56,167	$ 149,458	$ 131,443	$ 130,178

(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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Taxes (see table 5)	$ 57,640	$ 61,894	$ 68,226	$ 85,169	$ 97,109	$ 109,431	$ 112,195	$ 112,641	$ 116,381	$ 124,817
Licenses and permits	4,418	4,381	5,251	10,110	13,318	13,902	11,023	6,818	3,784	4,074
Intergovernmental	7,684	6,700	4,300	5,611	5,170	16,589	6,506	7,495	5,248	2,882
Fines and forfeitures	2,594	2,648	2,616	3,110	2,946	4,049	3,376	4,719	4,089	3,930
Charges for services	4,920	7,395	8,657	9,458	9,190	10,019	12,012	12,996	13,751	14,065
Contributions and donations	2,127	543	1,207	688	273	1,603	9,180	3,324	140	82
Investment earnings	5,156	3,085	1,102	1,475	2,550	4,329	3,936	2,459	1,377	1,192
Miscellaneous	(16)	141	267	92	492	450	505	484	2,743	1,074
Total revenues	84,523	86,787	91,626	115,713	131,048	160,372	158,733	150,935	147,513	152,116
EXPENDITURES										
General government	4,424	5,258	5,801	6,933	7,365	8,065	10,328	13,396	15,216	10,742
Judicial	5,740	6,428	7,048	7,755	8,145	9,541	10,183	10,539	11,107	10,942
Public safety	18,883	24,088	26,850	31,785	36,748	43,559	48,417	54,340	56,003	54,706
Public works	5,302	6,158	6,486	6,547	7,964	9,160	7,701	6,610	6,616	5,473
Public health and welfare	1,115	2,927	1,389	1,574	1,648	2,138	2,307	2,678	2,410	2,499
Recreation and culture	5,774	6,506	7,368	8,277	9,575	10,671	11,734	12,022	12,095	11,563
Housing and development	3,227	3,489	3,478	3,563	4,245	4,954	6,389	6,311	5,478	4,356
Intergovernmental	3,007	2,938	3,085	3,617	4,182	10,796	13,145	13,889	-	1,165
Capital Outlay	44,919	25,347	18,598	36,089	41,223	52,398	63,472	56,110	54,731	34,578
Principal on long-term debt	-	-	30	1,078	693	888	1,098	1,343	1,405	10,070
Interest and paying agent fees	2,383	2,580	1,913	1,126	1,643	1,620	1,576	1,518	5,670	7,198
Bond issuance costs	-	25	(2)	429	-	-	-	834	-	-
Landfill closure/postclosure costs	46	70	48	-	-	-	-	-	-	-
Total expenditures	94,820	85,814	82,092	108,773	123,431	153,790	176,350	179,590	170,731	153,292
Excess of revenues over (under) expenditures	(10,297)	973	9,534	6,940	7,617	6,582	(17,617)	(28,655)	(23,218)	(1,177)

(continued)

FORSYTH COUNTY, GEORGIA

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OTHER FINANCING SOURCES (USES)										
Sale of County Property	-	-	34	-	69	275	56	290	89	32
Transfers in	10,795	5,858	5,194	5,278	7,771	20,631	17,268	6,017	12,023	20,668
Transfers out	(20,564)	(16,723)	(19,364)	(5,482)	(7,871)	(24,048)	(17,196)	(5,691)	(12,023)	(20,668)
Proceeds from bond refunding	-	-	-	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)	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(9,769)	(10,865)	(13,094)	225	(31)	(3,142)	128	121,946	89	32
Net change in fund balances	$ (20,066)	$ (9,892)	$ (3,560)	$ 7,165	$ 7,586	$ 3,440	$ (17,489)	$ 93,291	$ (23,129)	$ (1,144)
Debt service as a percentage of noncapital expenditures	4.8%	4.3%	3.1%	3.6%	2.8%	2.5%	2.4%	3.0%	6.1%	14.6%

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
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
2010	66,578	50,840	4,489	2,910	124,817

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
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%
2011	2010	6,917,305	316,334	1,365,672	105,671	604,430	525,338	13,757	50,422	503,377	769,556	8,625,996	4.734	21,564,990	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
2002	2001	2.980	1.000	0.500	4.480	15.082	1.978	17.060	0.250	21.790
2003	2002	2.980	1.000	0.500	4.480	15.500	1.980	17.480	0.250	22.210
2004	2003	4.300	1.700	0.500	6.500	15.500	1.978	17.478	0.250	24.228
2005	2004	4.184	1.654	0.487	6.325	15.500	1.978	17.478	0.250	24.053
2006	2005	4.000	1.581	0.466	6.047	14.708	1.878	16.586	0.250	22.883
2007	2006	3.834	1.515	0.446	5.795	14.708	1.878	16.586	0.250	22.631
2008	2007	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
2011	2010	4.734	1.975	0.947	7.656	15.395	1.418	16.813	0.250	24.719

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, 2010
(amounts expressed in thousands)

Taxpayer	Type of Business	2010 Taxable Assessed Value	2010 Rank	2010 Percentage of Total Taxable Assessed Value	2001 Taxable Assessed Value	2001 Rank	2001 Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 47,250	1	0.55%	$ 66,282	1	1.63%
Georgia Transmission Corporation	Power Transfer Utility	26,499	2	0.31%	-	-	-
Scientific Games, Inc.	Printed Lottery Tickets	17,949	3	0.21%	60,582	2	1.49%
United Parcel Service	Delivery Service	17,392	4	0.20%	-	-	-
Avenue Forsyth, LLC	Shopping Complex	13,358	5	0.15%	-	-	-
Solvay Advanced Polymers, LLC	Plastic Manufacturer	13,130	6	0.15%	-	-	-
Federal National Mortgage Assn.	Financial Group	12,445	7	0.14%			
Northside Hospital, Inc.	Healthcare Facility	12,001	8	0.14%	-	-	-
Hendon/Atlanta RIM Johns Creek, LLC	Investment Company	11,165	9	0.13%	-	-	-
Bellsouth Telecommunications	Telephone Utility	10,216	10	0.12%	53,551	3	1.32%
IBM Credit Corp.	Financial Services	-	-	-	24,790	4	0.61%
American Proteins, Inc.	Poultry Waste Recycling	-	-	-	25,652	5	0.63%
Hoover Precision Products	Steel Ball Bearings	-	-	-	26,695	6	0.66%
Winward Associates	Commercial Real Estate	-	-	-	27,604	7	0.68%
Lowe's	Hardware & Home Repairs	-	-	-	28,152	8	0.69%
Amoco Performance Products	Research & Dev. of Plastics & Polymers	-	-	-	31,638	9	0.78%
Tyson Foods, Inc.	Poultry Products	-	-	-	32,249	10	0.79%
Totals		$ 181,405		2.10%	$ 377,195		9.29%

Source: Forsyth County Tax Commissioner

FORSYTH COUNTY, GEORGIA

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Taxable sales	$ 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	$ 2,383,799
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)	3,034	2,981	3,109	3,578	4,220	4,804	4,848	4,314	3,995	3,872
SPLOST (2)	3,007	2,938	3,065	3,542	4,182	4,797	4,831	2,880	1,141	1,109

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 portion 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	
2002	2001	01/18/02	$ 17,568	$ 384	$ 567	$ 18,519	$ 6,145	34.98%	$ 12,374	$ 18,519	100.00%	$ -
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%	15,576	33,534	99.99%	2
2005	2004	11/15/04	34,456	1,491	763	36,710	33,637	97.62%	3,065	36,702	99.98%	8
2006	2005	11/15/05	37,774	1,439	773	39,986	37,103	98.22%	2,877	39,980	99.98%	6
2007	2006	11/15/06	41,808	1,404	983	44,195	40,538	96.96%	3,636	44,174	99.95%	21
2008	2007	11/15/07	48,722	1,274	1,230	51,226	47,192	96.86%	3,990	51,182	99.91%	44
2009	2008	11/15/08	60,011	1,089	1,360	62,460	54,665	91.09%	7,631	62,296	99.74%	164
2010	2009	11/15/09	62,417	(613)	61	61,865	57,274	91.76%	3,931	61,205	98.93%	660
2011	2010	11/15/10	66,880	(829)	38	66,089	62,299	93.15%	-	62,299	94.27%	3,790

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, 2010
(amounts expressed in thousands)

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	58,170,570	$ 285,284	1.50%
Forsyth County Park and Rec	Park and Recreation	45,144,100	154,821	0.81%
Truby Inc	Private Water System	25,853,500	92,556	0.49%
Etowah Water and Sewer	Public Water System	19,544,200	46,953	0.25%
Cousins Properties	Commercial Developer	18,898,260	45,474	0.24%
A & A Water Company	Private Water System	14,821,100	58,823	0.31%
Carlyle Centennill LLC	Apartments	14,810,400	57,118	0.30%
Pine Ridge Assoc LLC	Private Water System	11,315,850	39,931	0.21%
City of Cumming Utly Dept	Government	10,430,500	30,282	0.16%
Oxford Properties	Apartments	10,357,500	39,313	0.21%
All other customers			18,185,230	95.53%
Total Billing			$ 19,035,785	

FORSYTH COUNTY, GEORGIA

TOP 10 SEWER CUSTOMERS
December 31, 2010

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	29,681,220	$ 155,460	1.67%
Carlyle Centennill LLC	Apartments	13,443,500	60,642	0.65%
Cousins Properties	Commercial Developer	11,362,000	59,358	0.64%
Oxford Properties	Apartments	10,086,500	49,339	0.53%
Scientific Games	Manufacturing	6,555,700	35,023	0.38%
Solvay Advanced Polymers	Manufacturing	6,271,700	31,135	0.34%
Wal-Mart East LP # 4436	Retail	4,183,500	20,668	0.22%
Developer Diversified Re	Shopping Center	3,807,100	18,686	0.20%
Advantis Technologies Inc	Manufacturing	3,652,000	11,674	0.13%
McGinnis Ferry LLC	Office Bldgs	3,397,210	18,643	0.20%
All other customers			8,829,808	
Total Billing			$ 9,290,436	

FORSYTH COUNTY, GEORGIA

WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2010

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)
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%	1,274
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
2010	137,210	7,777	-	144,987	160,200	305,187	3.99%	1,705

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 debt.

(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)
2001	$ 32,780	$ 345	$ 32,435	0.32%	$ 323
2002	32,780	727	32,053	0.26%	295
2003	32,750	1,730	31,020	0.24%	267
2004	33,875	2,811	31,064	0.22%	252
2005	33,390	3,998	29,392	0.18%	226
2006	32,710	5,396	27,314	0.15%	197
2007	31,820	7,010	24,810	0.12%	157
2008	148,685	8,406	140,279	0.63%	886
2009	147,280	23,355	123,925	0.55%	774
2010	137,210	28,308	108,902	0.50%	608

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, 2010
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 405,826	100.00%	$ 405,826
City of Cumming	-	100.00%	-
Subtotal, overlapping debt	405,826		405,826
Forsyth County direct debt	137,210	100.00%	137,210
Total direct and overlapping debt	$ 543,036		$ 543,036

Assessed value data used to estimate applicable percentages provided by the State Department of Revenue.

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed value of property	$ 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	$ 9,898,929
Debt limit (10% of total assessed value)	439,982	566,134	596,643	644,906	733,934	842,972	946,686	1,027,999	1,034,317	989,893
Amount of Debt applicable to limit:										
General obligation bonds	32,780	32,780	32,750	33,875	33,390	32,710	31,820	148,685	147,280	137,210
Less: Resources restricted to paying principal	(345)	(727)	(1,730)	(2,811)	(3,998)	(5,396)	(7,010)	(8,406)	(23,355)	(28,308)
Total net debt applicable to limit	32,435	32,053	31,020	31,064	29,392	27,314	24,810	140,279	123,925	108,902
Legal debt margin	$ 407,547	$ 534,081	$ 565,623	$ 613,842	$ 704,542	$ 815,658	$ 921,876	$ 887,720	$ 910,392	$ 880,991
Total net debt applicable to the limit as a percentage of debt limit	7.37%	5.66%	5.20%	4.82%	4.00%	3.24%	2.62%	13.65%	11.98%	11.00%

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
2010	30,155,626	19,753,977	10,401,649	3,295,000	6,278,142	9,573,142	1.09

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 connection 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%
2010	179,003	7,641,881	42,691	n/a	n/a	n/a	34,362	8.20%

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, and 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 Nine Years Ago

	2010			2001		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County School	4,182	1	5.29%	2,195	1	3.68%
Northside Hospital - Forsyth	1,500	2	1.90%	275	10	0.46%
Tyson Foods, Inc.	1,200	3	1.52%	1,400	3	2.35%
Forsyth County Government	1,109	4	1.40%	721	4	1.21%
Koch Foods	1,100	6	1.39%	-		-
Scientific Games	1,098	5	1.39%	650	5	1.09%
Siemens Energy & Automation, Inc.	1,000	7	1.26%	1,600	2	2.68%
Wal-mart	400	8	0.51%			
L3 Communications	286	9	0.36%	345	7	0.58%
American BOA, Inc.	281	10	0.36%	-		-
BP/Amoco Polymers Group	-		-	550	6	0.92%
Claris	-		-	300	8	0.50%
Firearms Training Systems, Inc	-		-	300	9	0.50%
All other employers	66,901		84.62%	51,361		86.04%
Total	79,057		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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function										
General Government (1)	118	130	133	139	163	183	204	202	173	168
Judicial	71	74	86	89	87	93	103	106	108	108
Public Health and Welfare	7	9	10	10	13	21	22	25	23	25
Public Safety										
Police	188	223	230	261	281	313	349	381	367	366
Officers	188	223	230	261	281	313	349	381	367	289
Civilians	23	23	30	30	31	42	43	54	57	77
Fire	80	93	100	111	124	140	154	153	140	148
Firefighters and officers	80	93	100	111	124	140	154	153	140	140
Civilians	6	6	6	6	7	7	8	9	9	8
E-911 and Coroners Office	25	26	27	30	31	35	37	42	41	38
Public Works	70	77	75	81	80	84	83	87	80	77
Recreation and Culture		49	50	52	56	59	65	64	60	59
Housing and Development	38	43	42	46	53	55	67	65	38	34
Solid Waste	11	8	8	8	7	8	10	9	9	9
Water & Sewer	54	62	61	71	70	74	84	83	74	73
Total	662	794	822	898	965	1,065	1,178	1,217	1,113	1,105

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sheriff										
Physical arrests	4,059	4,140	4,367	4,580	4,556	5,961	6,202	6,251	6,163	5,337
Traffic violations	12,550	11,420	14,522	16,466	16,475	19,363	30,608	36,412	37,305	39,791
Fire										
Number of calls answered	7,025	7,174	7,859	8,431	9,313	9,761	10,530	11,075	10,934	11,530
Inspections	2,746	3,496	3,500	3,059	2,619	5,429	4,959	3,948	2,707	3,556
Highways and streets										
Street resurfacing (miles)	33	41	44	41	63	52	57	64	69	80
Potholes repaired	n/a	645	742	394	429	383	357	420	503	502
Sanitation										
Refuse collected (tons/day)	36	13	7	7	7	7	6	6	6	6
Recyclables collected (tons/day)	n/a	3	3	3	4	4	4	6	6	5
Water										
New connections	2,661	1,516	2,157	2,168	3,098	3,059	2,570	630	591	894
Water mains breaks	n/a	43	41	40	58	63	66	66	54	52
Average daily consumption (thousands of gallons)	7,200	9,260	8,490	8,560	8,780	10,883	10,755	9,197	9,998	11,650
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,300	1,700	1,900	2,000	2,522	3,422	3,461	3,982	3,805	4,124

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Sheriff:										
Precincts	3	2	2	2	2	2	2	2	2	2
Number of vehicles	136	165	165	196	212	210	247	292	318	317
Fire:										
Stations	15	15	15	15	15	15	15	15	13	13
Number of Vehicles	58	58	58	59	59	62	64	66	66	67
Highways and streets										
Streets (miles)	780	780	780	907	1,200	1,882	1,104	1,143	1,145	1,095
Traffic signals	2	4	2	5	6	6	49	54	61	65
Culture and recreation										
Parks acreage	320	340	1,140	1,334	1,334	1,603	1,642	1,642	2,500	2,600
Parks	8	9	11	11	13	46	16	16	17	18
Baseball/softball fields	45	50	44	44	44	47	47	47	48	52
Tennis courts	26	26	22	26	26	26	24	24	24	36
Soccer fields	11	11	11	12	12	12	12	12	12	18
Football fields	4	4	4	5	5	5	5	5	5	5
Playgrounds	8	9	9	9	9	12	12	12	12	14
Community centers	4	4	4	5	6	6	6	6	6	6
Water										
Water mains (miles)	690	719	747	785	833	877	912	924	932	939
Fire hydrants	5,022	5,059	5,121	5,179	5,389	5,754	6,100	6,215	6,230	6,413
Maximum daily capacity (thousands of gallons)	-	-	-	-	-	-	-	-		
Sewer										
Sanitary sewers (miles)	197	214	239	270	346	402	454	475	481	483

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)
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
2010	11.70	19.20	44,631	16,974

(1) Millions of gallons per day (MGD).

(2) Number at year end.

Single Audit Section

2010 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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 2, 2011. 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 Health Department, 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 and other deficiencies that we consider to be significant deficiencies.

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 misstatements 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 corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2010-1 through 2010-5, to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2010-6 and 2010-7, to be significant deficiencies.

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 2010-4 and 2010-5.

We noted certain matters that we reported to management of the County in a separate letter dated June 2, 2011.

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, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 2, 2011

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Forsyth County, Georgia's (the "County's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2010. 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. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

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 to determine the 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.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, the State of Georgia, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 2, 2011

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	FY2009	$ 10,896
Bullet Proof Vest Partnership Program	16.607	FY2010	8,442
			19,338
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.738	2009-SB-B9-3025	21,461
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-1082	785
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-1432	4,009
			26,255
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0308	56,298
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C09-8-60	24,544
VOCA Victims Assistance Grant (District Attorney)	16.575	C09-8-061	54,747
VOCA Victims Assistance Grant (Sheriff)	16.575	C09-8-060	8,112
VOCA Victims Assistance Grant (District Attorney)	16.575	C10-8-078	17,880
			105,283
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-072	4,785
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-074	5,427
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-075	4,590
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-078	3,693
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-081	3,693
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-084	23,995
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-302	480
			46,663
Passed through the Council of Juvenile Court Judges:			
Purchase of Service, Juvenile Offenders Program	16.540	07B-ST-0001	6,152
Purchase of Service, Juvenile Offenders Program	16.540	JB-08B-ST-0002 & 004	1,365
			7,517
Total U.S. Department of Justice			261,354
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction	20.205	TEE 0006-00 (586)	68,256
Highway Planning and Construction	20.205	CSSTP-006-00(919)	569,584
Passed through the Atlanta Regional Commission:			
Highway Planning and Construction	20.205	PESP-0008-00(729)	190,925
			828,765
Passed through the Georgia Department of Transportation:			
Dial-A-Ride	20.509	T002912 GA-18-4030	97,603
Dial-A-Ride	20.509	T002912 GA-18-4031	95,901
Rural Public Transportation Program - ARRA	20.509	T002840 GA-86-X001	19,824
			213,328
Passed through the Governor's Office of Highway Safety			
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2010-58-00379	69,544
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2011-58-00391	20,403
			89,947
Total U.S. Department of Transportation			1,132,040
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	33,075
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	130,161
Nutrition Services Incentive	93.053	427-93-07070254-99	20,816
			184,052
Social Services Block Grant	93.667	427-93-07070254-99	36,605
Total U.S. Department of Health and Human Services			220,657

(Continued)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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	2,925
Passed through the National Recreation and Parks Association			
National Outreach and Communication Program	15.653	RBFF-10-G-214	928
Total U.S. Department of the Interior			3,853
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
EMPG	97.042	2010-EP-00-0013	29,522
Buffer Zone Protection	97.078	2008-BZ-T8-0034	80,537
Total U.S. Department of Homeland Security			110,059
U.S. DEPARTMENT OF DEFENSE			
Flood Control Lands	12.112	N/A	175,985
Total U.S. Department of Defense			175,985
U.S. DEPARTMENT OF ENERGY			
Energy Efficiency and Conservation Block Grant (EECBG) - ARRA	81.128	DE-SC0002640	436,735
Total U.S. Department of Energy			436,735
Total Expenditures of Federal Awards			$ 2,340,683

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, 2010

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 DECEMBER 31, 2010

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?	__X__ yes ____ 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?	____ yes __X__ none reported
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)?	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
81.128	Energy Efficiency and Conservation Block Grant (EECBG) - ARRA

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, 2010

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2010-1 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/expenses required adjustments of approximately $530,000 in the following funds; Capital Projects Fund ($213,000), County Jail Construction Fund ($40,000), SPLOST Fund ($63,000), Impact Fees Fund ($18,000), Water & Sewerage Authority ($142,000), and Risk Management Fund ($54,000). These adjustments were the result of the County not properly identifying the appropriate period for which the charges were incurred.
- The deferred charges, bond issuance costs, premiums and discounts reported in the Water & Sewerage Fund were not properly amortized and thus resulted in an audit adjustment of approximately $315,000.
- The compensated absence liabilities were not properly reported in the Internal Service Funds, which required adjustments to record the current year as well as the prior year's liabilities. Adjustments of approximately $637,000 were required to record these liabilities in the Administrative Services Fund ($267,000), Information Services Fund ($127,000), Telecommunications Fund ($5,000), GIS Services Fund ($60,000), Fleet Maintenance Fund ($91,000), and the Building Occupancy Fund ($87,000). As these funds are reported under the full accrual method of accounting, they are required to carry both their long-term assets, such as capital assets, as well as their long-term liabilities.
- Expenses were recorded in the Information Services Fund for which the service was not rendered as of December 31, 2010. Expenses for future services should be deferred and reported as prepaid expenses, until the goods or services are provided to the County. An adjustment of approximately $70,000 was required to defer these expenses as a prepaid asset.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-1 Expenditures/Expenses and Related Liabilities (Continued)

Effects: Audit adjustments totaling approximately $1,552,000 were needed to correctly report expenditures/expenses and the related liabilities, of which approximately $557,000 of the compensated absences adjustments affected opening equity, as they were not reported in previous years.

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)

2010-2 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 and deferred revenues in the SPLOST Fund were adjusted by approximately $116,000 to properly defer receivables which were not considered to be available under the County's revenue recognition policy, as they were not collected within ninety (90) days after the fiscal year end.
- Revenues and unearned revenues were adjusted by approximately $2,223,000 in the Water & Sewerage Authority to correct amounts which were incorrectly reported as revenues in the prior year and should have been unearned, as they represent developers' pre-paid sewer connection charges. This adjustment resulted in a restatement of the Water & Sewerage Authorities equity.

Effects: Audit adjustments totaling approximately $2,339,000 were needed to correctly report revenues, 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, 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 are properly recognized.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-3 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 investigate discrepancies or issues related to cash are not independent of the ability to edit the transactional data and/or approved edits of transactional data.
- Individuals who review, authorize or sign checks are not independent of those who investigate discrepancies or issues involving expenditures.
- Customer complaint follow-up is not independent of accounts receivable, bookkeeping and cash handling.
- Management does not currently have a control in place to create or run quarterly reports from the system to show changes to the vendor master file. The report should be reviewed for reasonableness.
- Individuals who prepare payroll checks should not be able to edit the payroll master file.
- Individuals who prepare payroll checks should not be able to open mail or copy checks received.
- Manual journal entries are not being approved by an appropriate person, independent of the entry preparation and the person who posts the journal entries.

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

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)

2010-4 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. In the 2011 fiscal year we have corrected the pay rates for the Magistrate judges and have determined the necessary short-falls in order to provide adequate back pay for the prior periods. We will closely monitor all required salary information for our elected officials to ensure they are adequately compensated as stated in Georgia Code.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-5 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 balanced budgets for all governmental funds. Management did not operate under a balanced budget for the Victims Rights & Assistance Fund, which is reported as a special revenue fund for the fiscal year ended December 31, 2010.

Context/Cause: The County adopted a budget to utilize fund balance reserves to fund current period expenditures. At the time the budget was adopted, the County's fund balances were unknown and, therefore, an estimated fund balance was used to adopt an annual balanced budget. However, at January 1, 2010 the County's actual fund balance available for appropriation was negative. Additionally, the County did not amend their original budget to reflect this deficit fund balance and ensure the County was operating under an annual balanced budget.

Effects: The County failed to operate under an annual balanced budget, which has resulted in a compliance violation with State law.

Recommendation: We recommend the County timely adopt and operate under balanced 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 that use estimated fund balance in annual balanced budgets, have the budget amended appropriately when a fund balance shortfall exists. In the above case of the Victims Rights & Assistance Fund, the County did transfer additional funds into this fund to cover the shortfall. Only the budget was not amended.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-6 General Ledger Maintenance

Criteria: Internal controls should be in place to ensure that the general ledgers of the County are properly maintained using full accrual or modified-accrual accounting methods, based on GAAP for a governmental entity.

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

Context/Cause: During our testing, an audit adjustment was required to correct current year amounts. The nature of this adjustment is as follows:

- The Law Library Fund required an adjustment to record the current year activity from the accounts which are maintained in the courts. While the actual cash accounts are reconciled outside of the County's Finance department, the activity is reported in the County's Law Library Fund and appropriate general ledger activity should be reported.

Effects: Total misstatement caused by the lack of general ledger maintenance was of approximately $106,000 for the year ended December 31, 2010.

Recommendation: We recommend the County carefully review all transactions of the funds and ensure that they are properly handling the transactions in accordance with governmental accounting standards.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that the general ledgers are properly maintained and reconciled on a monthly basis.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2010-7 Capital Asset Reporting

Criteria: Internal controls should be in place to ensure that the subsidiary ledgers of the County are properly maintained to properly account for the capital assets of the County based on GAAP for a governmental entity.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the County's capital assets as of December 31, 2010.

Context/Cause: During our testing, audit adjustments were required to correct current year amounts. The nature of this adjustment is as follows:

- Capital assets, including intangible assets, of the Water & Sewerage Authority required adjustments to properly report the depreciation ($103,000) and amortization ($99,000) expenses as of December 31, 2010. The adjustments resulted from errors in the subsidiary listing calculations.

Effects: Total misstatement caused by the lack of adequate subsidiary ledger maintenance was approximately $202,000 for the year ended December 31, 2010.

Recommendation: We recommend the County carefully review all subsidiary ledgers related to capital assets to ensure they are properly handling and reporting the transactions in accordance with governmental accounting standards.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure the subsidiary ledgers are properly maintained and reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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.

Response/Status: The County has implemented controls to ensure that all reports are properly and timely submitted to the state.

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

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

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

Response/Status: The County has implemented controls to ensure that all reports are properly and timely submitted to the state.