Prepared by the FORSYTHCOUNTY Finance Department



2011 Comprehensive Annual Financial Report

For the year ended December 31, 2011

2011 Comprehensive Annual Financial Report



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

For the year ended December 31, 2011

INTRODUCTORY SECTION

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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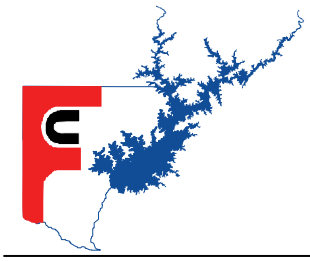
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Forsyth County Board of Commissioners

JIM BOFF
CHAIRMAN

PATRICK B. BELL
VICE CHAIRMAN

TODD LEVENT
SECRETARY

BRIAN R. TAM
MEMBER

RALPH J. AMOS
MEMBER

DOUG DERRER
COUNTY MANAGER

TIM R. MERRITT
DEPUTY COUNTY MANAGER

June 21, 2012

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, 2011.

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, 2011, 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, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

110 East Main Street ♦ Suite 210 ♦ Cumming, Georgia 30040 ♦ (770) 781-2101 ♦ Fax (770) 781-2199

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 181,840 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. Adopted annual budgets are not legally required for any of the County's Proprietary Funds and Fiduciary Funds, however the county prepares annual 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 Finance Committee. The Finance Director 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/office 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/office 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. The development of Lake Lanier by the U.S. Army Corps of Engineers functions to improve flood control and provide hydroelectric power, which gives it the distinction of being one of the most utilized water recreation areas managed by the Corp. 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. By 2015, Forsyth County's population is projected to increase by 137%. Forsyth County employs more than 83,856 within its boundaries with approximately 6,223 licensed businesses. Existing companies are continuing to expand within our community, serving as our largest source for new jobs. As of December 2011, the county's unemployment rate was 7.3%, which is lower than the State of Georgia (9.4%) and the United States (8.5%).

Due to its proximity to Atlanta, Forsyth County continues to provide a vibrant 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".

- 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.
- Children's Healthcare of Atlanta opened a Forsyth location at The Avenue of Forsyth in June 2011. This is a great addition to the existing quality health care system bringing along approximately 60 jobs. The county will continue working to do everything it can to create an environment in which businesses can succeed and thrive.
- The Forsyth County School system, serving close to 36,000 students, 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

- On November 8, 2011, Forsyth County voters approved the continuation of the county's Special Purpose Local Option Sales Tax by approving SPLOST VII. SPLOST is a voter-approved, one-percent sales tax in effect in Forsyth County since 1983. SPLOST VII will be a six-year program, with collections continuing through June 2019. For every dollar spent in Forsyth County, one SPLOST penny goes into a fund devoted to certain, identified capital improvement projects. SPLOST VII proposed county projects include a jail expansion, courthouse and parking facilities, transportation projects, scheduled replacement of fire engines, expansion and renovation of the Sharon Forks Library, animal shelter and emergency raw water generator.
- Work continued throughout 2011 to expand the Forsyth County Water Treatment Plant on Antioch Road. The expansion, which began in May 2010, further enhances the quality of finished water, increases efficiency

through implementation of a backwash recycling system, and provides the capability to treat an additional 12 million gallons of water daily. This project is slated for completion in 2012.

- In May 2012, the City of Cumming and Forsyth County agreed to extend the water supply contract supplying water to the county from the city.

Improved Service Delivery

- The county's new Fire Station #7 officially opened with a ribbon cutting ceremony June 24th, 2011. The new two double-bay, 7,333 square foot facility serves the Silver City area of north Forsyth County. This project was funded by SPLOST V and Impact Fees.
- Sexton Hall Enrichment Center officially opened with a ribbon cutting ceremony September 30th, 2011. Sexton Hall is the county's third senior center, joining Hearthstone Lodge and Charles Place. The center will serve active adults ages 50+ and offer a variety of opportunities including art, music, drama, continuing education, technology, fitness and leisure activities. This acquisition and renovation of the Sexton Hall Enrichment Center was funded by SPLOST VI.
- In November 2011, residents visiting the main office of the Forsyth County Tax Commissioner's Office, located at 1092 Tribble Gap Road, are now able to enjoy the added convenience of drive-through service. Two new drive-through windows are now available to accept property tax payments, process tag renewals and issue disabled persons parking placards.

Parks, Recreation and Green Space Bond Dollars at Work

- February 3rd, 2011 the Board of Commissioners approved construction of a recreation center on the Buice Property (Old Atlanta Park). The new recreation center, which opened in February 2012, was made possible by the voter-approved Parks, Recreation and Green Space Bond and by Impact Fees.
- Fowler Park officially opened with a ribbon cutting ceremony February 25th, 2011. Fowler Park features soccer/football fields, softball/baseball fields, an open area for special events, a teen play area with a skate park, tennis center, trail head for Big Creek Greenway, walking trails, playground, and concession/restroom buildings. A dog park opened at Fowler Park in July 2011. This project was funded by SPLOST VI and the $100 million Parks, Recreation and Green Space Bond. The new recreation center at Fowler Park, which opened in February 2012, was made possible by the voter-approved Parks, Recreation and Green Space Bond and by Impact Fees.
- In October 2011, groundbreaking ceremonies were held for the McClure Property Park, Old Atlanta Park (formerly referred to as the Buice property), Harrison Property Park and Echols Road Property Park. The construction of these four green space passive use parks are funded by a combination of the Parks, Recreation and Green Space Bond, SPLOST and Impact Fees and are expected to be complete in the summer of 2012.

LONG – TERM FINANCIAL PLANNING

Forsyth County's Department of Planning and Community Development completed the public participation process for the Community Agenda, the final component of the Comprehensive Plan update, which encompasses the community's vision and implementation measures to attain the plan's long-term goals. The plan addresses critical issues while incorporating a shared community vision for a preferred, future growth scenario over the next two decades. Public participation began during the fall of 2010 and continued throughout 2011, incorporating feedback from a total of seven community workshops and seven steering committee meetings as well as two public hearings. The Community Agenda draft was then submitted to the Georgia Mountains Regional Commission in December of 2011 for state review and approval. The Comprehensive Plan update was adopted March 15, 2012.

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 unassigned fund balance in the general fund (38% of total 2012 general fund budget) exceeds the policy guidelines set by the Board of Commissioners for budgetary and planning purposes. The county also prepares the annual budget with the following years always in review.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officer Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Forsyth County, Georgia for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. This was the eleventh consecutive year the county has received this prestigious award. This award honors an easily readable, efficiently organized, Comprehensive Annual Financial Report (CAFR) that conforms to program standards and satisfies both GAAP and applicable legal requirements.

The preparation, design and publication of this year's Comprehensive Annual Financial Report would not have been possible without the continuous commitment of the Finance Department staff throughout the year. Sincere appreciation also goes to the various county departments and offices for their assistance and enthusiasm throughout the year in matters pertaining to the financial affairs of the county. We also thank the accounting firm of Mauldin & Jenkins, LLC for their contributions of technical guidance and dedication to the highest professional standards of governmental accounting. 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, 2010

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.



Linda C. Davidson

President

Executive Director

Officials of FORSYTH COUNTY

2011 BOARD OF COMMISSIONERS



R. J. (Pete) Amos
Secretary
District 1



Brian Tam
Chairman
District 2



Todd Levent
Member
District 3



Patrick Bell
Vice Chairman
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

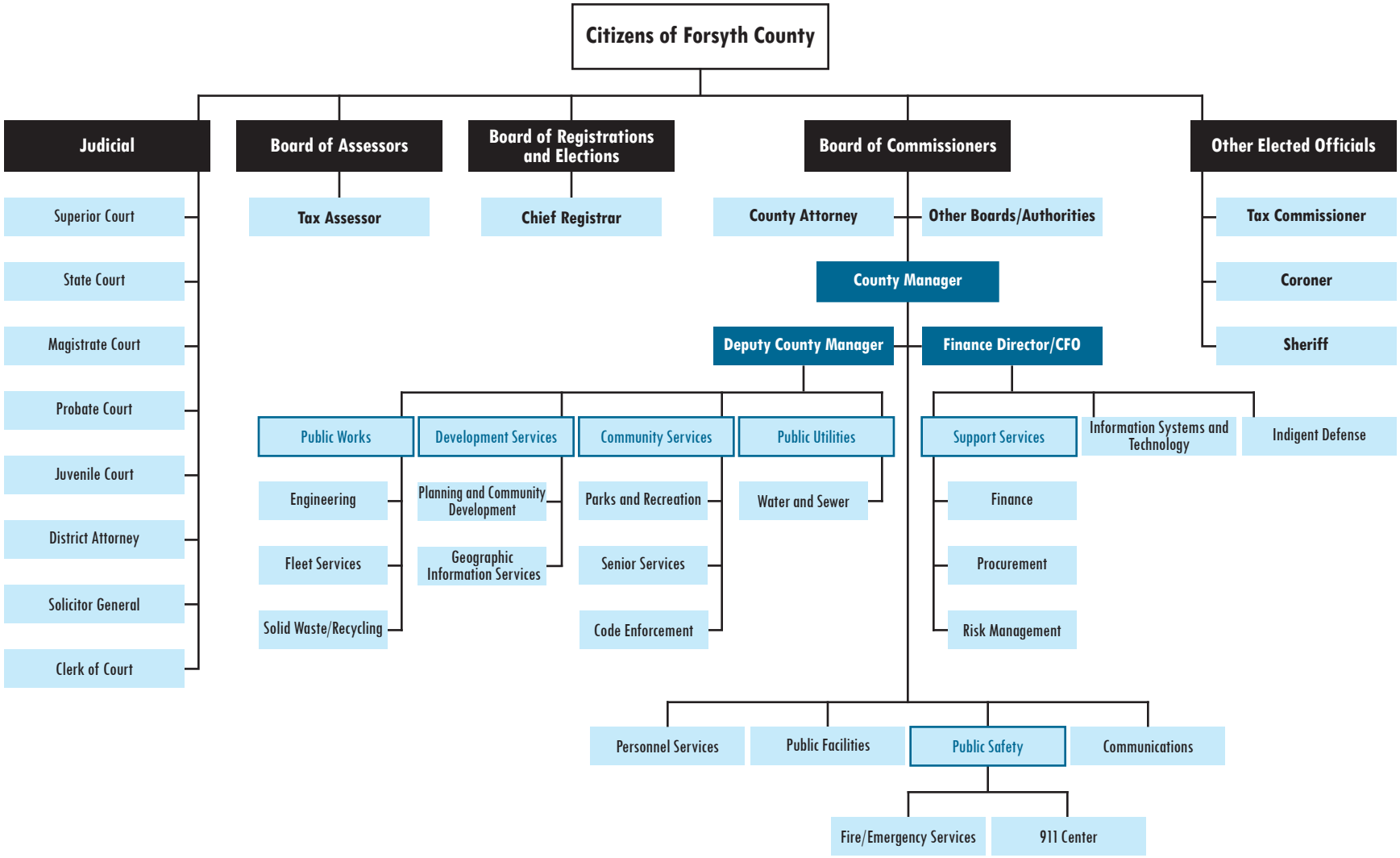
Forsyth County is committed to providing and maintaining the most efficient, customer service-oriented county government possible. The county will be an innovative and strategic leader in providing essential and effective public services in a fiscally prudent and professional manner. By preserving and 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	Planning & Community Development
Charity Clark	Risk Management
Brian Converse (Interim)	Information Systems & 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	Procurement
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

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, 2011, 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 21 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, insofar as it relates to the amounts included for the Forsyth County Health Department, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Forsyth County, Georgia as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, Forsyth County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2012, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15) and the budgetary comparison information, schedules of funding progress, and schedule of employer contributions (on pages 64 through 66) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 combining and individual fund financial statements and schedules, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 21, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

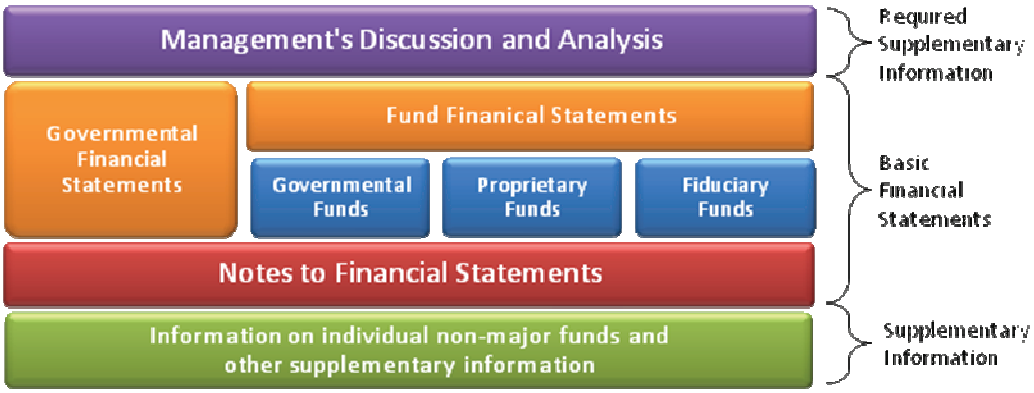
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2011. Please read it in conjunction with the transmittal letter on page iv and the County's financial statements, which begin on page 16.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets exceed liabilities by $1.2 billion (net assets) at December 31, 2011. Of this amount $877.47 million is governmental activities and $327.27 million is business-type activities.
- The combined revenue total for the County is $240.3 million, a 11.23% increase from 2010. Of the combined total governmental activities is $196.125 million and business-type activities is $44.174 million.
- The combined expense total for the County is $157.043 million, a 1.07% decrease from 2010. Of the combined total governmental activities is at $124.797 million and business-type activities is $32.25 million.
- At December 31, 2011, the County's governmental funds reported combined ending fund balance is $135.76 million, an increase of $5.58 million (4.3%) from the 2010 fund balance. The unassigned fund balance for various governmental funds is $35.483 million.
- The County's total debt decreased by $14.79 million (4.84%) from fiscal year 2010, primarily due to the County's second payment for the SPLOST VI revenue 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 16 and 17, 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, 2011, the County maintains seventeen 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, 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 18-20 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, which is considered to be a major fund, and for the Solid Waste operation. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 21-23 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 page 24-25 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 26-63 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension and other post-employment benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 69-87 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 $1.205 billion at the close of the most recent fiscal year. This is a slight increase of $83 million or 7.42% from fiscal year 2010.

FORSYTH COUNTY, GEORGIA'S NET ASSETS
December 31, 2011
($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current and other assets	$ 219,807	$ 213,970	$ 82,059	$ 87,548	$ 301,867	$ 301,518
Capital assets (net of depreciation)	872,122	822,230	433,317	417,312	1,305,439	1,239,542
TOTAL ASSETS	1,091,929	1,036,200	515,376	504,860	1,607,305	1,541,060
LIABILITIES						
Other liabilities	92,501	94,080	30,425	31,540	122,926	125,620
Long-term liabilities outstanding	121,955	135,980	157,677	157,974	279,632	293,954
TOTAL LIABILITIES	214,456	230,060	188,102	189,514	402,558	419,574
NET ASSETS						
Invested in capital assets, net of related debt	758,645	697,529	281,932	275,887	1,040,577	973,416
Restricted	85,099	63,598	4,207	4,142	89,306	67,740
Unrestricted	33,729	45,013	41,135	35,317	74,864	80,330
TOTAL NET ASSETS	$ 877,473	$ 806,140	$ 327,274	$ 315,346	$ 1,204,747	$ 1,121,486

Source: Statement of Net Assets

The largest component of the County's net assets, $1.041 million (86.37%) at December 31, 2011, 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, $89.3 million (7.4%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net assets, $74.8 million (6.2%), 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 $71.33 million (8.85%), due to increases in Grants, Property Tax, SPLOST and Insurance Premium Tax revenues and a decrease in expenses of $.9 million. Net assets in business-type activities increased by $11.9 million (3.78%) The county's overall net assets increased indicating that the County's financial position has remained constant since 2010.

Changes in Net Assets. Governmental and business-type activities increased the County's net assets by $83.26 million during the year ended December 31, 2011.

The following table gives a comparison for the changes in net assets in governmental and business type activities for fiscal year 2010 and 2011.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET ASSETS
December 31, 2011
($ In thousands)

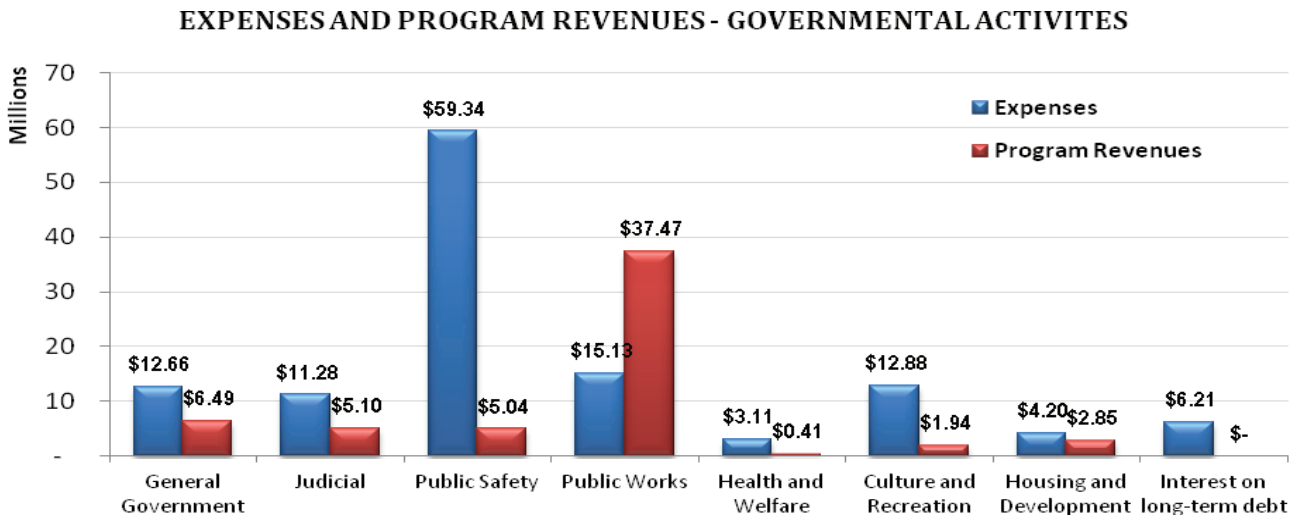
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues:						
Charges for services	$ 22,520	$ 22,140	$ 33,982	$ 31,382	$ 56,502	$ 53,522
Operating grants and contributions	1,283	1,347	-	-	1,283	1,347
Capital grants and contributions	35,503	6,200	9,695	28,018	45,198	34,218
General Revenues:						
Property taxes	70,006	66,473	-	-	70,006	66,473
Sales taxes	54,243	50,634	-	-	54,243	50,634
Insurance premium tax	7,114	4,489	-	-	7,114	4,489
Other taxes	3,154	2,898	-	-	3,154	2,898
Unrestricted investment earnings	980	1,149	497	777	1,477	1,926
Other	1,327	520	-	2	1,327	522
TOTAL REVENUES	196,130	155,850	44,174	60,179	240,304	216,029
EXPENSES						
General Government	12,658	14,181	-	-	12,658	14,181
Judicial	11,276	11,271	-	-	11,276	11,271
Public Safety	59,341	57,674	-	-	59,341	57,674
Public Works	15,133	15,791	-	-	15,133	15,791
Health and Welfare	3,108	2,529	-	-	3,108	2,529
Culture and Recreation	12,877	13,524	-	-	12,877	13,524
Housing and Development	4,197	4,460	-	-	4,197	4,460
Interest	6,207	6,360	-	-	6,207	6,360
Solid Waste Disposal Facility	-	-	789	671	789	671
Water and Sewer	-	-	31,457	32,283	31,457	32,283
TOTAL EXPENSES	124,797	125,790	32,246	32,954	157,043	158,744
Increase in net assets	71,333	30,060	11,928	27,225	83,261	57,285
Net assets, beginning of year	806,140	776,783	315,346	285,473	1,121,486	1,062,256
Prior Period Adjustments	-	(703)	-	2,648	-	1,945
Net assets, end of year	$ 877,473	$ 806,140	$ 327,274	$ 315,346	$ 1,204,747	$ 1,121,486

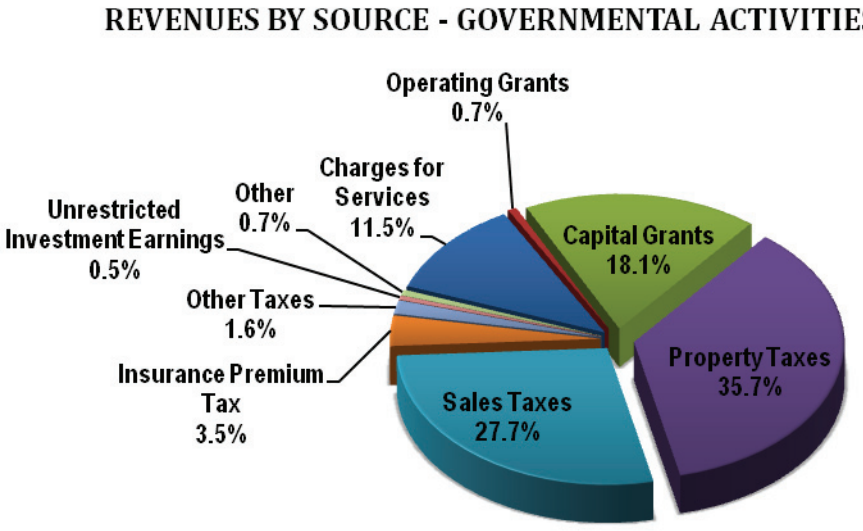
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County's net assets by $71.33 million thereby accounting for 8.85% 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 2011: $22.52 million in charges for services, $36.786 million for grants and contributions, $134.52 million in taxes, $.9 million in investment earning and $1.33 million in other revenue. Total program and general revenue for 2011 is $196.13 million.
- Total revenues for governmental activities increased by $40.28 million or 25.84% from fiscal year 2010. Property taxes totaling $70 million is the largest revenue source for the county. Operating grants and contributions decreased slightly by $64 thousand, while capital grants and contributions increased by $29.3 million due to donations from the State of Georgia, in the form of donated infrastructure. Sales tax revenues also increased by $3.609 million due to increase in retail activity during 2011.
- Expenses for 2011 decreased by $993 thousand or 7.89% from 2010. Governmental activities expenses decreased as a reflection of the decrease in budget from 2010.

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





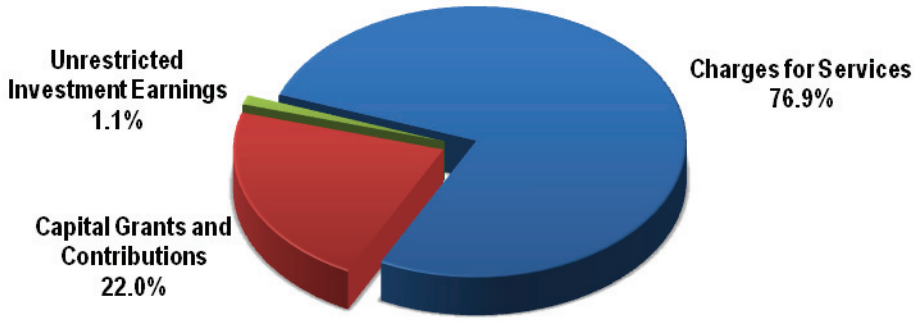
Business-type activities. Business-type activities increased the County's net assets by $11.9 million, accounting for 3.78% of the total growth in net assets. A key element of this increase is Water and Sewer Authority program revenues increase of $2.6 million (8.29%), due to increase in 2011 consumption.

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

GOVERNMENTAL FUNDS
CHANGES TO FUND BALANCE

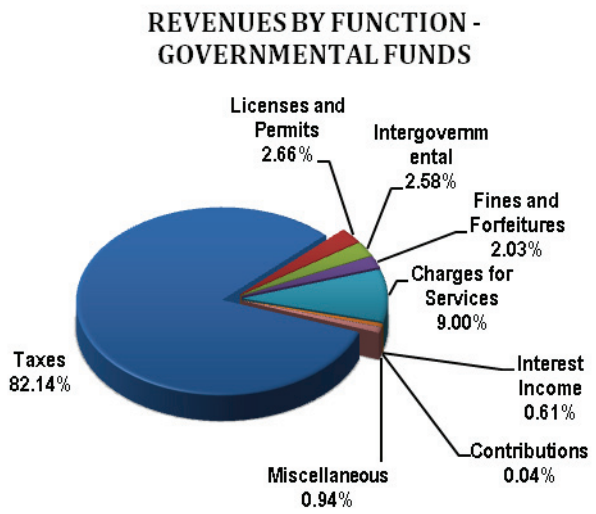
($ in thousands)

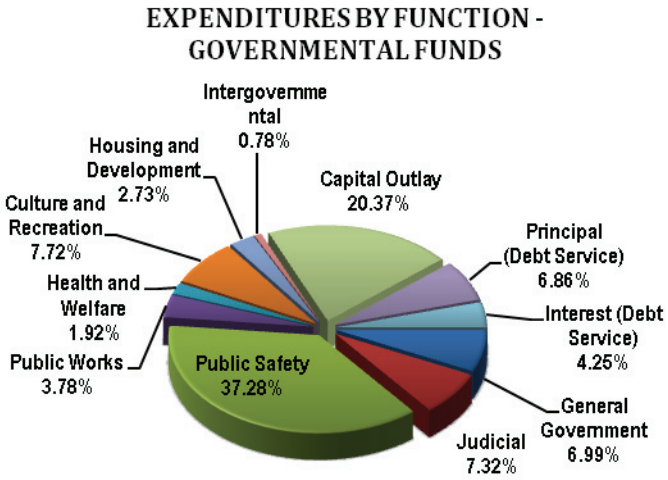
	2011	2010	Inc/Dec	% Inc/Dec
General Fund	$ 37,896	$ 27,473	$ 10,423	37.94%
Fire District	5,851	3,722	2,129	57.20%
Debt Service	29,941	28,308	1,633	5.77%
SPLOST	37,896	35,031	2,865	8.18%
Capital Projects	15,845	20,670	(4,825)	-23.34%
Other Nonmajor Governmental Funds	8,326	14,973	(6,647)	-44.39%
Fund Balance	**$ 135,755**	**$ 130,177**	**$ 5,578**	**4.28%**

Source: Statement of Revenues, Expenditures and Changes to Fund Balances

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $135.76 million, an increase of $5.58 million in comparison with the fund balance for 2010. Approximately 26.14% of this total amount, $35.483 million, constitutes unassigned which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted and assigned 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 purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was $35.483 million, which represents 93.63% of total general fund balance. The fund balance increased by $10.4 million during the current fiscal year. This increase is partly due to increased taxes and capital grants and contributions.





The fund balance of the County's fire fund increased by $2.13 million during the current fiscal year. Revenues increased by $636 thousand from 2010. This increase is due to a Fire District millage rate increase from 1.841 mills to 1.975 mills in January 2011.

The fund balance of the County's debt service fund increased by $1.632 million during the current fiscal year. This increase is due to the special levied property tax and transfer in from SPLOST fund exceeding the annual debt service payment required for this fund. The debt service fund has an ending fund balance of $29.94 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 increased by $2.865 million during the current fiscal year. This is primarily due to an increase of $3.159 million in revenue.

The fund balance of the County's capital projects fund decreased by $4.824 million during the current fiscal year. The capital projects fund has an ending fund balance of $15.845 million. The decrease is due to $5.942 million spent on various capital projects. This fund had no significant revenue or transfers from the General Fund in 2011.

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 $32.179 million, an increase of $2.02 million from 2010. This is primarily due to an increase in consumption. The department's water customer count grew by 2,480 new connections to a year-end total of 47,111 and sewer customer count increased by 2,712 to a year-end total of 19,686. Total operating expenses were $27.558 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2011 is $1.305 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide additions in 2011 are $65.89 million with $49.89 million in government-type activities and $16 million in business-type activities. Net investment in capital assets is $1.305 million with $872.12 million for governmental activities and $433.31 million for business-type activities. This is a 5.32% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS
(net of depreciation)
(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2010	2011	2010	2011	2010
Land and improvements	$ 394,353	$ 383,006	$ 28,984	$ 28,997	$ 423,337	$ 412,003
Infrastructure land improvements	153,464	152,985	-	-	153,464	152,985
Construction in progress	51,283	55,529	39,058	21,956	90,341	77,485
Buildings and improvements	85,168	65,464	16,235	16,357	101,403	81,821
Machinery and equipment	13,707	15,309	3,396	2,835	17,103	18,144
Vehicles	6,422	7,771	285	435	6,707	8,206
Sewer Capacity Rights	-	-	9,397	9,757	9,397	9,757
Infrastructure	167,725	142,166	335,962	336,975	503,687	479,141
Total	**$ 872,122**	**$ 822,230**	**$ 433,317**	**$ 417,312**	**$ 1,305,439**	**$ 1,239,542**

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

- September 2011, Sexton Hall Enrichment Center officially opened. This center serves active adults ages 50+ with a variety of opportunities. This center was funded by SPLOST VI.
- Fire Station #7 opened June 2011. The new station is 7,333 square feet and serves the Silver City area of north Forsyth County. This project was funded with both SPLOST and Impact Fees.
- November 2011, Forsyth County Tax Commissioner's Office added a drive through service. Residents now have the opportunity to pay for property tax, tag renewals and receive disabled persons parking placards through two new drive up windows.

Additional information on the County's capital assets can be found in Note 6, on pages 41-44.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $282.33 million. Of this amount $126.69 million consists of general obligation bonds backed by the full faith and credit of the government and $155.64 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $14.79 million primarily due to the County's scheduled debt service payments.

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 46-53.

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 64 and 65.

GENERAL FUND

for the year ended December 31, 2011

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General Government	$ 12,306,550	$ 12,274,633	$ 10,826,601	$ 1,448,032
Judicial	11,216,600	11,318,252	11,072,782	245,470
Public Safety	37,172,618	37,289,895	39,077,408	(1,787,513)
Public Works	6,022,100	6,601,993	5,957,958	644,035
Health and Welfare	2,993,750	2,993,750	3,051,340	(57,590)
Culture and Recreation	11,818,180	11,878,130	11,627,654	250,476
Housing and Development	4,340,350	4,363,805	4,096,824	266,981
Total Expenditures	**$ 85,870,148** [1]	**$ 86,720,458**	**$ 85,710,567**	**$ 1,009,891**

(1) The adopted General Fund expenditure budget included transfers to other funds ($1,722,600) and addition to reserves ($575,000) 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 $88.168 million in the original budget increased to $88.94 million at year end, due primarily to an increase in intergovernmental revenues by $636 thousand. Total revenues ended at $97.25 million, $8.31 million above the final budget. The original adopted expenditure budget of $85.870 million was amended to $86.72 million. Significant expenditure budget amendments are summarized below:

- Public Safety increased by $1.79 million. The budget amendment for public safety was needed to cover increased costs at the detention center for housing higher numbers of inmates out of county and for greater operational costs for the Sherriff's Office for fuel and employee healthcare.

However, by year end actual expenditures for the general fund were $85.710 million, $1 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $1.448 million under final budget due to using less than 17% of the budgeted $1.3 million reserve for contingency, along with less than budgeted spending in the Tax Commissioner and Tax Assessor offices.
- Judicial $245,470 under final budget resulting from less than anticipated court costs for indigent defense.
- Culture and Recreation $250,476 under final budget is due to Parks and Recreation department holding spending for operations at 3.3% under the $7.3 million budget.

Forsyth County's general fund 2011 adopted budget is $86.720 million, an increase of 4.7% from the 2010 budget.

ECONOMIC FACTORS AND THE 2012 BUDGET

Forsyth County's 2012 budget is a reflection of the financial position of the County in 2011. During 2011, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 7.3%, down 0.9% from 2010. This compares favorably to the State of Georgia's unemployment rate at 9.4%, and the national unemployment rate of 8.5% at the end of 2011.
- LOST and SPLOST revenues increased by $2.0 million, a 3.9% increase from fiscal year 2010. An increase is also projected for the 2012 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2011 millage rate for Maintenance and Operations, Fire and Debt Service remained at 7.656 mills. The 2012 budget process focused on balancing the budget without a tax increase.
- Forsyth County continues to implement the following cost-saving measures: employer 401 K contributions continued at 3%, all departments and offices throughout the county monitor their budgets and processes for additional efficiencies.

All of these factors were taken into consideration and implemented when preparing the County's budget for fiscal year 2012.

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.

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2011

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Library System
Cash and cash equivalents	$ 121,946,063	$ 29,528,618	$ 151,474,681	$ 730,129	$ 1,631,861
Investments	39,078,587	32,772,701	71,851,288	500,337	-
Receivables (net of allowance for uncollectibles)	1,516,159	3,338,047	4,854,206	75,406	31,330
Taxes receivable	3,697,072	-	3,697,072	-	-
Intergovernmental receivables	7,279,829	1,141,870	8,421,699	17,853	129,100
Prepaid items	906,195	-	906,195	-	99,129
Inventories	901,815	824,639	1,726,454	-	-
Internal balances	(582,953)	582,953	-	-	-
Deferred charges, unamortized balance	688,036	1,580,125	2,268,161	-	-
Other assets	2,638,363	-	2,638,363	-	-
Net pension asset	2,595,474	-	2,595,474	-	-
Restricted assets:					
Restricted cash and cash equivalents	12,324,159	12,290,540	24,614,699	-	-
Investments	29,456,009	-	29,456,009	-	-
Capital assets, nondepreciable	599,099,865	75,374,828	674,474,693	-	238,639
Capital assets, depreciable, net of accumulated depreciation	273,022,497	357,941,970	630,964,467	6,312	2,284,338
Total assets	1,094,567,170	515,376,291	1,609,943,461	1,330,037	4,414,397
LIABILITIES					
Accounts payable	8,731,960	2,955,762	11,687,722	13,290	108,196
Accrued liabilities	5,500,226	2,199,197	7,699,423	-	150,322
Customer deposits payable	-	2,715,872	2,715,872	-	-
Unearned revenue	61,157,512	18,514,944	79,672,456	-	-
Noncurrent liabilities due within one year					
Capital lease payable	-	-	-	-	1,198
Compensated absences payable	4,079,099	311,299	4,390,398	52,000	181,243
Claims payable	1,282,000	-	1,282,000	-	-
Landfill closure and postclosure	-	103,282	103,282	-	-
Bonds payable	11,750,000	3,625,000	15,375,000	-	-
Noncurrent liabilities due in more than one year					
Capital lease payable	-	-	-	-	2,932
Compensated absences payable	543,657	77,825	621,482	40,145	45,312
Note payable	-	3,826,422	3,826,422	-	-
Claims payable	788,000	-	788,000	-	-
Net OPEB obligation	546,136	-	546,136	-	-
Landfill closure and postclosure	-	1,755,802	1,755,802	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-
Bonds payable	114,938,705	152,017,236	266,955,941	-	-
Total liabilities	217,094,295	188,102,641	405,196,936	105,435	489,203
NET ASSETS					
Invested in capital assets, net of related debt	756,006,363	281,932,314	1,037,938,677	6,312	2,518,847
Restricted for:					
Judicial services	251,366	-	251,366	-	-
Public safety services	6,796,392	-	6,796,392	-	-
Health and welfare	-	-	-	633,284	-
Grant projects	55,580	-	55,580	-	-
Debt service	29,940,642	4,206,366	34,147,008	-	-
Capital projects	47,646,633	-	47,646,633	-	316,371
Jail construction and equipping	408,162	-	408,162	-	-
Unrestricted	36,367,737	41,134,970	77,502,707	585,006	1,089,976
Total net assets	$ 877,472,875	$ 327,273,650	$ 1,204,746,525	$ 1,224,602	$ 3,925,194

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

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	$ 12,657,952	$ 6,232,449	$ 261,884	$ -
Judicial	11,276,461	4,486,543	508,200	104,445
Public safety	59,341,062	4,868,169	76,280	83,716
Public works	15,133,409	2,101,131	71,830	35,315,185
Health and welfare	3,107,825	91,584	321,898	-
Cuture and recreation	12,876,638	1,894,771	43,094	-
Housing and development	4,196,692	2,845,447	-	-
Interest on long-term debt	6,206,781	-	-	-
Total governmental activities	124,796,820	22,520,094	1,283,186	35,503,346
Business-type activities:				
Water and sewer	31,457,448	32,178,927	-	9,695,225
Solid waste	789,037	1,802,903	-	-
Total business-type activities	32,246,485	33,981,830	-	9,695,225
Total primary government	$ 157,043,305	$ 56,501,924	$ 1,283,186	$ 45,198,571
Component units:				
Health Department	$ 1,352,454	$ 657,861	$ 417,008	$ -
Library System	5,216,760	251,139	343,273	272,255
Total component units	$ 6,569,214	$ 909,000	$ 760,281	$ 272,255
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				
Transfers				
Total general revenues				
Change in net assets				
Net assets, beginning of year				
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
$ (6,163,619)	$ -	$ (6,163,619)		$ -	$ -
(6,177,273)	-	(6,177,273)		-	-
(54,312,897)	-	(54,312,897)		-	-
22,354,737	-	22,354,737		-	-
(2,694,343)	-	(2,694,343)		-	-
(10,938,773)	-	(10,938,773)		-	-
(1,351,245)	-	(1,351,245)		-	-
(6,206,781)	-	(6,206,781)		-	-
(65,490,194)	-	(65,490,194)		-	-
-	10,416,704	10,416,704			
-	1,013,866	1,013,866		-	-
-	11,430,570	11,430,570		-	-
$ (65,490,194)	$ 11,430,570	$ (54,059,624)		$ -	$ -
$ -	$ -	$ -		$ (277,585)	$ -
-	-	-		-	(4,350,093)
$ -	$ -	$ -		$ (277,585)	$ (4,350,093)
$ 70,005,541	$ -	$ 70,005,541		$ -	$ -
54,243,181	-	54,243,181		-	-
7,113,915	-	7,113,915		-	-
1,440,503	-	1,440,503		-	-
1,713,307	-	1,713,307		-	-
979,553	497,067	1,476,620		-	5,689
-	-	-		-	4,087,310
1,327,298	-	1,327,298		188,121	17,329
(3)	3	-		-	-
136,823,295	497,070	137,320,365		188,121	4,110,328
71,333,101	11,927,640	83,260,741		(89,464)	(239,765)
806,139,774	315,346,010	1,121,485,784		1,314,066	4,164,959
$ 877,472,875	$ 327,273,650	$ 1,204,746,525		$ 1,224,602	$ 3,925,194

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

ASSETS	General	Fire District	Debt Service	SPLOST
Cash and cash equivalents	$ 45,584,802	$ 17,956,902	$ 27,457,978	$ 15,020,655
Investments	25,088,415	1,811,476	9,313,175	-
Receivables (net of allowance for uncollectibles)	865,443	55,430	-	-
Taxes receivable	2,399,164	856,936	424,393	-
Intergovernmental receivables	3,041,164	86	-	4,230,775
Due from other funds	2,845,447	-	-	-
Inventories	275,278	387,267	-	-
Prepaid items	5,370	-	-	-
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	23,430,462
Advance to other funds	-	-	-	-
Total assets	$ 80,105,083	$ 21,068,097	$ 37,195,546	$ 42,681,892
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,777,609	$ 33,665	$ -	$ 4,021,809
Other accrued liabilities	3,341,186	-	-	126,967
Due to other funds	-	-	-	636,901
Advances from other funds	-	23,844	-	-
Deferred revenues	37,089,950	15,159,499	7,254,904	-
Total liabilities	42,208,745	15,217,008	7,254,904	4,785,677
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaids	5,370	-	-	-
Inventories	275,278	387,267	-	-
Long term advances	-	-	-	-
Restricted:				
Judicial services	-	-	-	-
Public safety services	-	5,455,822	-	-
Grant projects	47,580	8,000	-	-
Capital projects	-	-	-	37,896,215
Jail construction and eqiupping	-	-	-	-
Debt service	-	-	29,940,642	-
Committed:				
Tree replacement	23,295	-	-	-
Paving expenditures	222,447	-	-	-
Assigned:				
Use of reserves in subsequent budget	1,046,000	-	-	-
Professional services	42,180	-	-	-
Capital projects	746,802	-	-	-
Supplies and materials	4,786	-	-	-
Unassigned	35,482,600	-	-	-
Total fund balances	37,896,338	5,851,089	29,940,642	37,896,215
Total liabilities and fund balances	$ 80,105,083	$ 21,068,097	$ 37,195,546	$ 42,681,892

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 governmental 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.
- Other assets that are not a financial resource used in governmental activities and therefore are not reported in governmental funds.

Net assets of governmental activities

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

Capital Projects	Nonmajor Governmental Funds	Total
$ -	$ 9,723,209	$ 115,743,546
168,927	-	36,381,993
949	545,131	1,466,953
-	16,579	3,697,072
-	-	7,272,025
-	-	2,845,447
-	-	662,545
-	-	5,370
12,324,159	-	12,324,159
6,025,547	-	29,456,009
96,693	-	96,693
$ 18,616,275	$ 10,284,919	$ 209,951,812
$ 556,286	$ 1,925,365	$ 8,314,734
-	5,700	3,473,853
2,214,716	8,830	2,860,447
-	-	23,844
-	18,929	59,523,282
2,771,002	1,958,824	74,196,160
-	-	5,370
-	-	662,545
96,693	-	96,693
-	251,366	251,366
-	1,340,570	6,796,392
-	-	55,580
15,748,580	6,325,997	59,970,792
-	408,162	408,162
-	-	29,940,642
-	-	23,295
-	-	222,447
-	-	1,046,000
-	-	42,180
-	-	746,802
-	-	4,786
-	-	35,482,600
15,845,273	8,326,095	135,755,652
$ 18,616,275	$ 10,284,919	
		869,898,169
		8,363,954
		1,004,508
		(140,496,815)
		2,947,407
		$ 877,472,875

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

	General	Fire Distirct	Debt Service	SPLOST
Revenues:				
Taxes	$ 78,299,670	$ 17,658,647	$ 9,262,186	$ 29,185,491
Licenses and permits	4,364,863	-	-	-
Intergovernmental	1,498,358	8,600	-	2,597,931
Fines and forfeitures	2,355,042	-	-	-
Charges for services	9,453,206	-	-	-
Interest income	295,229	104,180	61,688	24,632
Contributions	45,197	6,550	-	-
Miscellaneous	939,440	77,386	305	130,112
Total revenues	97,251,005	17,855,363	9,324,179	31,938,166
Expenditures:				
Current:				
General government	10,826,601	-	244,932	-
Judicial	11,072,782	-	-	-
Public safety	39,077,408	15,725,959	-	-
Public works	5,957,958	-	-	-
Health and welfare	3,051,340	-	-	-
Culture and recreation	11,627,654	-	-	256,387
Housing and development	4,096,824	-	-	-
Intergovernmental expenditures	-	-	-	1,249,620
Capital outlay	-	-	-	17,816,087
Debt service:				
Principal	-	-	10,870,000	-
Interest	-	-	6,328,346	-
Total expenditures	85,710,567	15,725,959	17,443,278	19,322,094
Excess (deficiency) of revenues over expenditures	11,540,438	2,129,404	(8,119,099)	12,616,072
Other financing sources (uses):				
Proceeds from sale of assets	139,780	-	-	-
Transfers in	-	-	9,751,251	-
Transfers out	(1,257,187)	-	-	(9,751,251)
Total other financing sources (uses)	(1,117,407)	-	9,751,251	(9,751,251)
Net change in fund balances	10,423,031	2,129,404	1,632,152	2,864,821
Fund balances, beginning of year	27,473,307	3,721,685	28,308,490	35,031,394
Fund balances, end of year	$ 37,896,338	$ 5,851,089	$ 29,940,642	$ 37,896,215

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

Capital Projects	Nonmajor Governmental Funds	Total
$ -	$ 226,796	$ 134,632,790
-	-	4,364,863
-	125,696	4,230,585
-	973,666	3,328,708
-	5,303,317	14,756,523
478,630	39,826	1,004,185
-	17,500	69,247
338,112	42,055	1,527,410
816,742	6,728,856	163,914,311
3,828	-	11,075,361
-	526,363	11,599,145
-	4,299,085	59,102,452
31,108	-	5,989,066
-	-	3,051,340
361,353	-	12,245,394
-	226,816	4,323,640
-	-	1,249,620
5,941,658	8,532,588	32,290,333
-	-	10,870,000
407,785	-	6,736,131
6,745,732	13,584,852	158,532,482
(5,928,990)	(6,855,996)	5,381,829
-	56,500	196,280
1,104,687	152,500	11,008,438
-	(3)	(11,008,441)
1,104,687	208,997	196,277
(4,824,303)	(6,646,999)	5,578,106
20,669,576	14,973,094	130,177,546
$ 15,845,273	$ 8,326,095	$ 135,755,652

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, 2011

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

Net change in fund balances - total governmental funds	$	5,578,106
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.		18,061,417
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		31,888,899
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(212,953)
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.		10,870,000
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.		2,742,238
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.		2,405,394
Change in net assets - governmental activities	$	71,333,101

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

DECEMBER 31, 2011

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 26,740,294	$ 2,788,324	$ 29,528,618	$ 6,202,517
Investments	32,772,701	-	32,772,701	2,696,594
Receivables (net of allowance for uncollectibles)	3,056,466	281,581	3,338,047	49,206
Due from other governments	1,141,870	-	1,141,870	7,804
Due from other funds	-	-	-	15,000
Inventories	824,639	-	824,639	239,270
Prepaid items	-	-	-	548,892
Restricted assets:				
Cash	12,290,540	-	12,290,540	-
Total current assets	76,826,510	3,069,905	79,896,415	9,759,283
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	74,785,098	589,730	75,374,828	107,342
Capital assets, being depreciated	437,535,716	1,325,664	438,861,380	6,162,014
Less accumulated depreciation	(80,496,312)	(423,098)	(80,919,410)	(4,045,163)
Total capital assets, net of accumulated depreciation	431,824,502	1,492,296	433,316,798	2,224,193
Deferred charges	1,580,125	-	1,580,125	-
Total noncurrent assets	433,404,627	1,492,296	434,896,923	2,224,193
Total assets	510,231,137	4,562,201	514,793,338	11,983,476
LIABILITIES				
Current liabilities:				
Accounts payable	2,928,029	27,733	2,955,762	417,226
Accrued expenses	2,199,197	-	2,199,197	-
Customer deposits payable	2,715,872	-	2,715,872	-
Unearned revenue	18,514,944	-	18,514,944	375
Claims payable, current	-	-	-	1,282,000
Compensated absences, current	296,673	14,626	311,299	380,894
Landfill postclosure, current	-	103,282	103,282	-
Revenue bonds payable, current	3,625,000	-	3,625,000	-
Total current liabilities	30,279,715	145,641	30,425,356	2,080,495
Long-term liabilities:				
Advance from other funds	-	49,734	49,734	23,115
Claims payable	-	-	-	788,000
Compensated absences	74,168	3,657	77,825	95,225
Notes payable, long term	3,826,422	-	3,826,422	-
Landfill postclosure	-	1,755,802	1,755,802	-
Revenue bonds payable	152,017,236	-	152,017,236	-
Total long-term liabilities	155,917,826	1,809,193	157,727,019	906,340
Total liabilities	186,197,541	1,954,834	188,152,375	2,986,835
NET ASSETS				
Invested in capital assets, net of related debt	280,440,018	1,492,296	281,932,314	2,224,193
Restricted for debt service	4,206,366	-	4,206,366	-
Unrestricted	39,387,212	1,115,071	40,502,283	6,772,448
Total net assets	$ 324,033,596	$ 2,607,367	326,640,963	$ 8,996,641
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			632,687	
Net assets of business-type activities			$ 327,273,650	

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, 2011

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 21,193,318	$ -	$ 21,193,318	$ -
Sewer sales	10,638,037	-	10,638,037	-
Other	347,537	-	347,537	17,476,700
Recycling and transfer fees	-	1,402,653	1,402,653	-
Insurance recoveries	-	-	-	218,573
Other operating income	35	400,250	400,285	266,699
Total operating revenues	32,178,927	1,802,903	33,981,830	17,961,972
OPERATING EXPENSES				
Salaries and benefits	5,275,997	469,838	5,745,835	6,434,540
Supplies and maintenance	6,895,960	158,493	7,054,453	6,468,375
Claims	-	-	-	1,201,598
Insurance premiums	-	-	-	1,035,499
General and administrative	-	-	-	40,693
Depreciation and amortization expense	8,511,777	52,096	8,563,873	512,930
Landfill postclosure	-	108,610	108,610	-
Water purchases	4,074,423	-	4,074,423	-
Sewer flow costs	2,799,974	-	2,799,974	-
Total operating expenses	27,558,131	789,037	28,347,168	15,693,635
Operating income	4,620,796	1,013,866	5,634,662	2,268,337
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	484,765	12,302	497,067	28,464
Interest expense	(4,093,307)	-	(4,093,307)	-
Intergovernmental	-	-	-	222,173
Total nonoperating revenues (expenses)	(3,608,542)	12,302	(3,596,240)	250,637
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,012,254	1,026,168	2,038,422	2,518,974
Capital contributions	9,695,225	-	9,695,225	80,410
Transfers in	3	-	3	-
Total capital contributions and transfers	9,695,228	-	9,695,228	80,410
Change in net assets	10,707,482	1,026,168	11,733,650	2,599,384
NET ASSETS, beginning of year	313,326,114	1,581,199		6,397,257
NET ASSETS, end of year	$ 324,033,596	$ 2,607,367		$ 8,996,641
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			193,990	
Change in net assets of business-type activities			$ 11,927,640	

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, 2011

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 31,175,670	$ 1,865,194	$ 33,040,864	$ 17,938,639
Payments to suppliers and service providers	(13,799,281)	(355,109)	(14,154,390)	(8,976,000)
Payments to employees	(5,332,730)	(484,075)	(5,816,805)	(6,583,264)
Net cash provided by operating activities	12,043,659	1,026,010	13,069,669	2,379,375
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	(493,107)	-	(493,107)	(34,377)
Interest received	583,575	12,302	595,877	26,746
Net cash provided by investing activities	90,468	12,302	102,770	(7,631)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(17,559,442)	-	(17,559,442)	(374,876)
Proceeds from long-term borrowings	32,679,443	-	32,679,443	-
Principal payment on bonds	(32,540,000)	-	(32,540,000)	-
Interest and fiscal charges paid	(7,019,272)	-	(7,019,272)	-
Intergovernmental grants received	-	-	-	213,582
Capital contributions received	4,339,264	-	4,339,264	-
Net cash used in capital and related financing activities	(20,100,007)	-	(20,100,007)	(161,294)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	-	(24,867)	(24,867)	(26,417)
Transfers in	3	-	3	-
Intergovernmental grant	-	-	-	787
Net cash used in noncapital financing activities	3	(24,867)	(24,864)	(25,630)
Net increase (decrease) in cash and cash equivalents	(7,965,877)	1,013,445	(6,952,432)	2,184,820
Cash and cash equivalents:				
Beginning of year	46,996,711	1,774,879	48,771,590	4,017,697
End of year	$ 39,030,834	$ 2,788,324	$ 41,819,158	$ 6,202,517
Classified as:				
Cash	$ 26,740,294	$ 2,788,324	$ 29,528,618	$ 6,202,517
Restricted cash	12,290,540	-	12,290,540	-
Total	$ 39,030,834	$ 2,788,324	$ 41,819,158	$ 6,202,517
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 4,620,796	$ 1,013,866	$ 5,634,662	$ 2,268,337
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	8,511,777	52,096	8,563,873	512,930
Decrease (increase) in accounts receivable	(28,211)	62,291	34,080	(7,033)
Increase in due from other funds	-	-	-	(15,000)
Decrease in inventories	157,030	-	157,030	12,889
Increase in prepaid expenses	-	-	-	(200,164)
Decrease in accounts payable	(741,992)	(4,152)	(746,144)	(102,560)
Increase in accrued expenses	364,204	-	364,204	-
Increase in customer deposits payable	191,834	-	191,834	-
Decrease in unearned revenue	(975,046)	-	(975,046)	(1,300)
Decrease in compensated absences	(56,733)	(14,237)	(70,970)	(148,724)
Increase in claims payable	-	-	-	60,000
Decrease in landfill postclosure care costs	-	(83,854)	(83,854)	-
Net cash provided by operating activities	$ 12,043,659	$ 1,026,010	$ 13,069,669	$ 2,379,375
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 5,355,961	$ -	$ 5,355,961	$ 80,410

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Agency Funds	Pension Trust Fund
ASSETS		
Cash	$ 5,607,809	$ 204,889
Mutual funds	-	8,289,382
Taxes receivable	8,062,355	-
Other receivable	16,833	2,416
Total assets	13,686,997	8,496,687
LIABILITIES		
Due to others	5,624,642	-
Uncollected taxes	8,062,355	-
Total liabilities	13,686,997	-
NET ASSETS		
Net assets held in trust for pension benefits	$ -	$ 8,496,687

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, 2011

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 911,750
Investment income	215,512
Less investment expense	(16,116)
Net investement income	199,396
Total additions	1,111,146
DEDUCTIONS	
Benefit payments	494,865
Total deductions	494,865
Change in net assets	616,281
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	7,880,406
End of year	$ 8,496,687

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Blended Component Unit

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

Discretely Presented Component Units

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The Water and Sewerage Authority offers sewer reservation agreements, which require outside developers to buy future capacity on the County's system. These funds are deferred as unearned revenue until the developer comes to apply for sewer taps or access to the sewer system, at which point the advance payments are then applied to the requested taps and thus recognized as earned revenues.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. 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 restricted revenues generated from a restricted millage rate levied for the purpose of providing for the 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 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 restricted or committed 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.

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 non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

F. Inventories and Prepaid Items

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

The County also purchases future sewer 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 and any related premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of January 1, 2011. This new standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

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

Fund balances are classified as follows:

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

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

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

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity (Continued)

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

For the year ending December 31, 2011, the County has reported $793,768 of encumbrances as assignments of fund balance in the General Fund.

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used or restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

K. Management Estimates

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

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 $140,496,815 difference are as follows:

Bonds payable	$ (126,340,000)
Unamortized premiums	(2,181,752)
Cost of issuance	688,036
Deferred charges on refundings	1,833,047
Certificates of participation	(7,777,000)
Accrued interest	(2,026,373)
Net OPEB obligation	(546,136)
Compensated absences	(4,146,637)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ (140,496,815)

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 $18,061,417 difference are as follows:

Capital outlay	$ 35,809,326
Depreciation expense	(17,747,909)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$ 18,061,417

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 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 $31,888,899 difference are as follows:

In the statement of activities, only the gain or loss 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.	$	(539,667)
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.		32,428,566
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	31,888,899

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 $2,742,238 difference are as follows:

Compensated absences	$	1,928,991
Net OPEB obligation		(218,414)
Net pension asset		150,378
Prepaid defined contribution plan forfeitures		351,933
Amortization		363,198
Accrued interest		166,152
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets - governmental activities*	$	2,742,238

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 January 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.

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.

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 the State Treasurer. 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 the State Treasurer of the State of Georgia. As of December 31, 2011, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2011, the County's bank balances were collateralized as defined by State statutes and GASB.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2011, 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	$ 8,740,103	$ -	$ -	AAAm	$ 8,740,103
United States Treasuries	6,350,274	26,398,111	-	AAA	32,748,385
Georgia Fund 1	14,706,397	-	-	AAAm	14,706,397
Federal Home Loan Mortgage Corp.	205,396	15,796,473	-	AAA	16,001,869
Federal Home Loan Bank	2,072,676	427,812	-	AAA	2,500,488
Federal National Mortgage Assn	3,077,841	5,098,987	-	AAA	8,176,828
Wells Fargo Institutional Treasury MM	469,337	-	-	Aaa	469,337
First American Treasury MM	45,067,769	-	-	*	45,067,769
Federal Farm Credit Bank MM	3,003,120	-	-	AAA	3,003,120
Guaranteed Investment Contract	-	-	6,025,547	(a)	6,025,547
Mutual Funds - Pension	8,289,382	-	-	(b)	8,289,382
	$ 91,982,295	$ 47,721,383	$ 6,025,547		$ 145,729,225

* 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, 2011, 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	$ 2,399,164	$ 856,936	$ 424,393	$ -
Other governments	3,041,164	86	-	4,230,775
Accounts	865,443	55,430	-	-
Gross receivables	6,305,771	912,452	424,393	4,230,775
Less allowance for uncollectibles	-	-	-	-
Net receivables	$ 6,305,771	$ 912,452	$ 424,393	$ 4,230,775

	Capital Projects Fund	Water & Sewerage Authority	Solid Waste Disposal Facility	Nonmajor Governmental Funds
Receivables:				
Taxes	$ -	$ -	$ -	$ 16,579
Other governments	-	1,141,870	-	-
Accounts	949	4,881,909	281,581	545,131
Gross receivables	949	6,023,779	281,581	561,710
Less allowance for uncollectibles	-	(1,825,443)	-	-
Net receivables	$ 949	$ 4,198,336	$ 281,581	$ 561,710

Property taxes for the 2011 fiscal year were levied on October 31, 2010, with property values assessed as of January 1, 2010. Bills are payable on or before December 20, 2010, 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 2011 are for fiscal year 2012. Amounts recorded as a receivable and amounts collected as of December 31, 2011 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, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 383,006,155	$ 11,348,205	$ (1,309)	$ -	$ 394,353,051
Infrastructure land improvements	152,985,494	453,964	(51,326)	75,602	153,463,734
Construction in progress	55,528,805	32,469,795	(205,462)	(36,510,058)	51,283,080
Total capital assets, not being depreciated	591,520,454	44,271,964	(258,097)	(36,434,456)	599,099,865
Capital assets, being depreciated:					
Buildings and improvements	84,354,229	-	(194,005)	22,112,522	106,272,746
Machinery and equipment	37,965,577	285,978	(1,083,437)	1,185,339	38,353,457
Vehicles	24,580,324	910,437	(1,250,080)	40,927	24,281,608
Infrastructure	259,418,601	23,224,799	(960)	13,095,668	295,738,108
Total capital assets, being depreciated	406,318,731	24,421,214	(2,528,482)	36,434,456	464,645,919
Less accumulated depreciation for:					
Buildings and improvements	18,889,851	2,274,739	(59,755)	-	21,104,835
Machinery and equipment	22,656,956	2,992,290	(1,002,811)	-	24,646,435
Vehicles	16,809,711	2,233,269	(1,183,832)	-	17,859,148
Infrastructure	117,252,977	10,760,541	(514)	-	128,013,004
Total accumulated depreciation	175,609,495	18,260,839	(2,246,912)	-	191,623,422
Total capital assets, being depreciated, net	230,709,236	6,160,375	(281,570)	36,434,456	273,022,497
Governmental activities capital assets, net	$ 822,229,690	$ 50,432,339	$ (539,667)	$ -	$ 872,122,362

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	$ 28,742,718	$ -	$ -	$ -	$ 28,742,718
Sewer capacity rights	7,574,500	-	-	-	7,574,500
Construction in progress	21,955,711	18,223,638	-	(1,121,739)	39,057,610
Total capital assets, not being depreciated	58,272,929	18,223,638	-	(1,121,739)	75,374,828
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	17,659,946	-	(42,000)	240,426	17,858,372
Machinery and equipment	5,977,603	703,695	(358,249)	-	6,323,049
Vehicles	2,120,088	15,625	(105,162)	-	2,030,551
Sewer capacity rights	3,328,100	-	-	-	3,328,100
Infrastructure	401,885,496	6,189,246	-	881,313	408,956,055
Total capital assets, being depreciated	431,336,486	6,908,566	(505,411)	1,121,739	438,861,380
Less accumulated depreciation for:					
Land improvements	111,088	13,049	-	-	124,137
Buildings and improvements	1,303,040	362,573	(42,000)	-	1,623,613
Machinery and equipment	3,141,745	143,555	(358,249)	-	2,927,051
Vehicles	1,685,490	163,844	(104,103)	-	1,745,231
Sewer capacity rights	1,145,232	360,038	-	-	1,505,270
Infrastructure	64,910,542	8,083,566	-		72,994,108
Total accumulated depreciation	72,297,137	9,126,625	(504,352)	-	80,919,410
Total capital assets, being depreciated, net	359,039,349	(2,218,059)	(1,059)	1,121,739	357,941,970
Business-type activities capital assets, net	$ 417,312,278	$ 16,005,579	$ (1,059)	$ -	$ 433,316,798

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	$ 821,345
Judicial	278,948
Public safety	4,480,136
Public works	10,891,648
Health and welfare	145,963
Culture and recreation	1,540,328
Housing and development	102,471
Total depreciation expense - governmental activities	$ 18,260,839
Business-type activities:	
Water and Sewerage Authority	$ 9,074,529
Solid Waste Disposal Facility	52,096
Total depreciation expense - business-type activities	$ 9,126,625

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	(32,717)	(2,646)	-	(35,363)
Total	(32,717)	(2,646)	-	(35,363)
Total capital assets, being depreciated, net	$ 8,958	$ (2,646)	$ -	$ 6,312

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
CIP	$ 5,694	$ 232,945	$ -	$ 238,639
Total	5,694	232,945	-	238,639
Capital assets, being depreciated:				
Machinery and equipment	1,955,131	107,750	(46,122)	2,016,759
Books and collections	4,922,564	447,791	(466,682)	4,903,673
Total	6,877,695	555,541	(512,804)	6,920,432
Less accumulated depreciation for:				
Machinery and equipment	(891,906)	(216,299)	18,449	(1,089,756)
Books and collections	(3,278,410)	(734,610)	466,682	(3,546,338)
Total	(4,170,316)	(950,909)	485,131	(4,636,094)
Total capital assets, being depreciated, net	2,707,379	(395,368)	(27,673)	2,284,338
Total capital assets, net	$ 2,713,073	$ (162,423)	$ (27,673)	$ 2,522,977

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2011, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	SPLOST Fund	$ 636,901
General Fund	Nonmajor governmental funds	8,830
General Fund	Capital Projects Fund	2,199,716
		$ 2,845,447
Internal Service Fund	Capital Projects Fund	$ 15,000

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, 2011 were as follows:

Transfers In	Transfers Out	Amount
Capital Projects Fund	General Fund	$ 1,104,687
Debt Service Fund	SPLOST Fund	9,751,251
Nonmajor governmental funds	General Fund	152,500
Water & Sewerage Authority	Nonmajor governmental funds	3

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, and (2) to move funds available from sales tax collections to cover allowable SPLOST bond debt service requirements.

Advances to/from other funds are as follows:

Receivable entity	Payable entity	Amount
Capital Projects Fund	Fire District Fund	$ 23,844
Capital Projects Fund	Solid Waste Disposal Facility	49,734
Capital Projects Fund	Internal Service Funds	23,115
		$ 96,693

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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 137,210,000	$ -	$ (10,870,000)	$ 126,340,000	$ 11,750,000
Less: Deferred amounts on refundings	(2,055,231)	-	222,184	(1,833,047)	-
Plus: Premiums	2,897,874	-	(716,122)	2,181,752	-
Total bonds payable	138,052,643	-	(11,363,938)	126,688,705	11,750,000
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	327,722	412,000	(193,586)	546,136	-
Compensated absences	6,700,471	12,668,465	(14,746,180)	4,622,756	4,079,099
Claims payable	2,010,000	1,241,598	(1,181,598)	2,070,000	1,282,000
Governmental activities long-term liabilities	$ 154,867,836	$ 14,322,063	$ (27,485,302)	$ 141,704,597	$ 17,111,099
Business-type Activities:					
Bonds payable	$ 160,200,000	$ 58,945,000	$ (62,860,000)	$ 156,285,000	$ 3,625,000
Less: Deferred amounts on refundings	(1,926,207)	(1,365,106)	48,386	(3,242,927)	-
Less: Discounts	(331,889)	-	89,020	(242,869)	-
Plus: Premiums	1,532,031	1,514,891	(203,890)	2,843,032	-
Total bonds payable	159,473,935	59,094,785	(62,926,484)	155,642,236	3,625,000
Note payable	-	3,826,422	-	3,826,422	-
Landfill postclosure costs	1,942,938	-	(83,854)	1,859,084	103,282
Compensated absences	460,094	1,477,084	(1,548,054)	389,124	311,299
Business-type activities long-term liabilities	$ 161,876,967	$ 64,398,291	$ (64,558,392)	$ 161,716,866	$ 4,039,581

For governmental activities, compensated absences and claims and judgments are liquidated by the Workers Compensation and Risk Management Funds. The OPEB obligations are liquidated by each department throughout the County. 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
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	5,320,000	4,409,619	9,729,619
2017 - 2021	34,345,000	17,527,356	51,872,356
2022 - 2026	35,300,000	9,418,503	44,718,503
2027 - 2028	18,765,000	954,124	19,719,124
Total	$ 126,340,000	$ 52,781,428	$ 179,121,428

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 relating 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, with the counterparty being rated Aa1 by Moody's. At December 31, 2011, the floating rate being paid by the County is 0.65% and the market value of this agreement is $2,638,363, an increase of $1,499,513 from the prior year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2011 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 an asset 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,			
2012	$ -	$ 369,408	$ 369,408
2013	-	369,408	369,408
2014	-	369,408	369,408
2015	-	369,408	369,408
2016	-	369,408	369,408
2017-2021	-	1,847,040	1,847,040
2022-2026	-	1,847,040	1,847,040
2027-2028	7,777,000	554,112	8,331,112
Total	$ 7,777,000	$ 6,095,232	$ 13,872,232

Revenue Bonds. 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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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.

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.

Series 2011 Water and Sewer Revenue Bonds – In March 2011, the County Water and Sewerage Authority issued $28,480,000 in revenue bonds to refund the remaining $1,420,000 in aggregate principal amount of the Series 1998 Bonds maturing April 1, 2009 through 2015, and to refund the remaining $28,360,000 in aggregate principal amount of the Series 2001 Bonds, maturing April 1, 2009 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 2.0% to 5.00%, mature April 1, 2025. The bonds were issued to reduce total debt service payments by $2,792,824 and resulted in an economic gain and a present value cash flow of $2,218,780. The current outstanding amount of debt considered legally defeased equals $27,955,000 as of December 31, 2011.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Series 2011 Variable Series Water and Sewer Revenue Bonds – In March 2011, the County Water and Sewerage Authority issued $30,465,000 in revenue bonds to refund the remaining $30,320,000 in aggregate principal amount of the Series 2005B Bonds maturing April 1, 2009 through 2035. 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. Interest paid on the bonds is variable and the weekly interest rate is the rate per month 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 variable rate in effect as of the year-end is 0.81% and the bonds mature April 1, 2035.

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

Year ending December 31,	Principal	Interest	Total
2012	$ 3,625,000	$ 5,912,317	$ 9,537,317
2013	3,755,000	5,787,672	9,542,672
2014	3,885,000	5,653,153	9,538,153
2015	4,020,000	5,512,714	9,532,714
2016	4,190,000	5,355,491	9,545,491
2017 - 2021	23,800,000	23,952,567	47,752,567
2022 - 2026	29,925,000	17,980,358	47,905,358
2027 - 2031	38,910,000	10,251,578	49,161,578
2032 - 2036	41,140,000	2,966,000	44,106,000
2037	3,035,000	75,874	3,110,874
Total	$ 156,285,000	$ 83,447,724	$ 239,732,724

Notes Payable. In 2011, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects. As of December 31, 2011, the loan has a balance of $3,826,422 and is still in the draw down phase, therefore a future payment schedule has not been established.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2011, the County has 18 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,859,000 over the 18-year period. These costs are based on what it would cost to perform all post-closure care in 2011, 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, 2011 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 84,010	$ 59,828	$ (51,693)	$ 92,145	$ 52,000

C. Discretely Presented Component Unit – Library System

The Library's long-term debt activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Capital Leases	$ 5,210	$ -	$ 1,080	$ 4,130	$ 1,198
Compensated absences	233,750	183,246	190,441	226,555	181,243
Total	$ 238,960	$ 183,246	$ 191,521	$ 230,685	$ 182,441

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 June 30, 2011, the Library had $3,053, net of depreciation, of machinery and equipment under a capital lease.

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Library System (Continued)

At June 30, 2011, future lease payments for the capital lease payable are as follows:

	Principal	Interest	Total
Year ending June 30,			
2012	$ 1,198	$ 374	$ 1,572
2013	1,329	243	1,572
2014	1,474	98	1,572
2015	129	1	130
Total	$ 4,130	$ 716	$ 4,846

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 active or past employees of the County as of January 1, 2012. The County's payroll for employees participating in the Plan as of January 1, 2012, (the most recent actuarial valuation date) was $2,877,352 (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.

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Plan Description (Continued)

As of January 1, 2012, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	36
Terminated vested participants not yet receiving benefits	6
Active participants	42
	84

The Plan's financial statements are prepared on an accrual basis, which 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.

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, 2012 and 2011, (the most recent actuarial valuation date) are as follows:

	January 1, 2012	January 1, 2011
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 771,941	$ 752,501
Interest on Net Pension Obligation	(194,661)	(176,763)
Adjustment of Net Pension Obligation	204,430	185,634
Annual Pension Cost	$ 781,710	$ 761,372

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 761,372
Actual Contributions to Plan for Current Year	911,750
Increase in Net Pension Obligation (Asset)	(150,378)
Net Pension Obligation (Asset) as of December 31, 2010	(2,445,096)
Net Pension Obligation (Asset) as of December 31, 2011	$ (2,595,474)

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Basis of Valuation

Current Valuation Date	January 1, 2012
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

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
1/1/2012	$ 8,496,673	$ 14,796,318	$ 6,299,645	57.42 %	$ 2,877,352	218.94 %

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, 2012.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/11	$ 761,372	$ 911,750	119.8 %	$ (2,595,474)
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)

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 2011, employee contributions were $2,524,658 and County contributions were $2,589,124. 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 April 1, 2012, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	31
Active participants	1,032
	1,063

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 on a pay as you go basis. Plan members receiving benefits contribute $67.60 (non-tobacco) or $80.21 (tobacco user) for single coverage monthly and $202.80 (non-tobacco) or $240.63 (tobacco user) 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, 2011 and January 1, 2010, are as follows:

	January 1, 2011	January 1, 2010
Derivation of Annual OPEB Cost		
Annual Required Contribution	$ 427,000	$ 215,000
Interest on Net OPEB Obligation	13,000	9,000
Adjustment to the ARC	(28,000)	(18,000)
Annual OPEB Cost	$ 412,000	$ 206,000
Derivation of Net OPEB Obligation		
Annual OPEB Cost for Current Year		$ 412,000
Actual Contributions to Plan for Current Year		193,586
Increase in Net OPEB Obligation		218,414
Net OPEB Obligation as of December 31, 2010		327,722
Net OPEB Obligation as of December 31, 2011		$ 546,136

Basis of Valuation	
Current Valuation Date	April 1, 2012
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	2020
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
4/1/2012	$ -	$ 3,099,000	$ 3,099,000	- %	$ 46,580,000	6.65 %

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 April 1, 2012.

Trend Information for The Plan				
Fiscal Year Ending	Annual OPEB Cost (AOPC)	Actual County Contribution	Percentage of AOPC Contributed	Net OPEB Obligation
12/31/11	$ 412,000	$ 193,586	47.0 %	$ 546,136
12/31/10	206,000	78,458	38.1	327,722
12/31/09	201,000	105,820	52.6	200,180

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, 2011, 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
2011	$ 905,568	$ 13,495,923	$ 13,378,979	$ 1,022,512
2010	474,020	9,450,430	9,018,882	905,568

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, 2011, 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, 2011, an actuary determined that an estimated $1,330,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2011 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
2011	$ 1,290,000	$ 741,525	$ 701,525	$ 1,330,000
2010	1,140,000	999,817	849,817	1,290,000

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, 2011, an actuary determined that an estimated $740,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2011 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
2011	$ 720,000	$ 500,073	$ 480,073	$ 740,000
2010	830,000	456,288	566,288	720,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2011, the County has contractual commitments on uncompleted contracts of approximately $15,422,024.

Litigation

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

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 Commission and is required to pay annual dues thereto. During the year ended December 31, 2011, the County paid $214,042 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

Georgia Mountain Regional Commission
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, 2011, the County collected $226,796 in revenues. Of this amount $226,796 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 May 10, 2012, the Forsyth County Water & Sewerage Authority (the Authority), a blended component unit of Forsyth County, Georgia, issued Refunding Revenue Bonds, Series 2012 (the Bonds) in the face amount of $27,195,000. The proceeds of the Series 2012 Bonds will be used to refund a portion of the Authority's Revenue Bonds, Series 2002, maturing on April 1, 2013 and thereafter in the aggregate principal amount of $30,000,000. 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 October 1, 2012. Principal payments commence in 2012 with final maturity coming in 2032.

REQUIRED SUPPLEMENTARY INFORMATION

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 71,982,235	$ 73,547,844	$ 78,299,670	$ 4,751,826
Licenses and permits	3,693,500	3,693,500	4,364,863	671,363
Intergovernmental	1,205,413	1,841,431	1,498,358	(343,073)
Fines and forfeitures	2,695,300	2,695,300	2,355,042	(340,258)
Charges for services	8,178,500	8,593,963	9,453,206	859,243
Interest income	250,000	250,000	295,229	45,229
Contributions	76,000	76,000	45,197	(30,803)
Miscellaneous	86,800	174,204	939,440	765,236
Total revenues	88,167,748	90,872,242	97,251,005	6,378,763
Expenditures:				
Current:				
General government:				
Board of commissioners	912,525	912,525	887,528	24,997
Administrative	1,388,600	1,419,485	1,419,485	-
Voter registration	798,900	832,443	830,568	1,875
Tax commissioner	3,106,500	3,141,489	3,005,846	135,643
Tax assessor	2,450,300	2,506,356	2,397,459	108,897
General engineering	2,049,325	2,109,325	2,016,555	92,770
Board of equalization	99,900	99,900	55,118	44,782
Regional development council	200,500	214,042	214,042	-
Other	1,300,000	1,083,495	-	1,083,495
Total general government	12,306,550	12,319,060	10,826,601	1,492,459
Judicial:				
Judicial administration	551,500	888,385	888,385	-
Superior court	667,700	566,193	526,643	39,550
Clerk superior court	2,470,600	2,470,600	2,454,126	16,474
District attorney	756,200	775,200	774,304	896
State court	950,500	817,905	811,849	6,056
Magistrate court	875,900	875,900	866,408	9,492
Probate court	713,200	713,200	685,150	28,050
Juvenile court	1,190,100	1,195,100	1,193,644	1,456
Solicitor-state court	1,540,800	1,540,800	1,518,833	21,967
Indigent defense	1,332,700	1,332,700	1,180,844	151,856
Pretrial services	167,400	172,596	172,596	-
Total judicial	11,216,600	11,348,579	11,072,782	275,797
Public safety:				
Sheriff	25,265,250	25,962,553	25,962,553	-
Detention center	6,810,450	7,877,793	7,877,793	-
Court services	3,236,700	3,333,124	3,333,124	-
Ambulance services	928,818	928,818	928,818	-
Dispatchers	27,200	27,200	22,702	4,498
Coroner and medical examiner	159,500	159,500	147,943	11,557
Animal control	744,700	804,475	804,475	-
Total public safety	37,172,618	39,093,463	39,077,408	16,055
Public works:				
General-public works	4,206,450	4,565,466	4,366,014	199,452
Storm water division	1,471,400	1,692,277	1,257,958	434,319
Traffic engineering	344,250	344,250	333,986	10,264
Total public works	6,022,100	6,601,993	5,957,958	644,035

(Continued)

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 262,400	$ 267,569	$ 267,569	$ -
Senior citizens center	1,861,450	1,861,450	1,852,853	8,597
Community service	47,500	47,500	40,551	6,949
Transportation services	459,200	467,932	467,932	-
Mental health	100,700	100,700	100,700	-
Family and children services	262,500	321,735	321,735	-
Total health and welfare	2,993,750	3,066,886	3,051,340	15,546
Culture and recreation:				
Recreation	353,400	413,350	381,639	31,711
Parks	6,922,100	6,922,100	6,711,571	210,529
Library	4,265,680	4,265,680	4,259,944	5,736
Agencies	277,000	277,000	274,500	2,500
Total culture and recreation	11,818,180	11,878,130	11,627,654	250,476
Housing and development:				
Conservation	121,100	121,100	108,992	12,108
Planning and zoning	3,269,250	3,292,705	3,081,830	210,875
Code enforcement	598,600	598,600	587,918	10,682
Economic development	120,000	120,000	91,041	28,959
County agent	231,400	231,400	227,043	4,357
Total housing and development	4,340,350	4,363,805	4,096,824	266,981
Total expenditures	85,870,148	88,671,916	85,710,567	2,961,349
Excess of revenues over expenditures	2,297,600	2,200,326	11,540,438	9,340,112
Other financing sources (uses):				
Proceeds from sale of assets	-	17,763	139,780	122,017
Transfers in	-	56,056	-	(56,056)
Transfers out	(1,722,600)	(1,722,600)	(1,257,187)	465,413
Total other financing sources (uses)	(1,722,600)	(1,648,781)	(1,117,407)	531,374
Net change in fund balances	575,000	551,545	10,423,031	9,871,486
Fund balances, beginning of year	27,473,307	27,473,307	27,473,307	-
Fund balances, end of year	$ 28,048,307	$ 28,024,852	$ 37,896,338	$ 9,871,486

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FIRE DISTRICT FUND

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 17,265,382	$ 17,265,382	$ 17,658,647	$ 393,265
Intergovernmental	111,200	89,600	8,600	(81,000)
Interest income	28,000	28,000	104,180	76,180
Contributions	4,000	4,000	6,550	2,550
Miscellaneous	60,300	60,300	77,386	17,086
Total revenues	17,468,882	17,447,282	17,855,363	408,081
Expenditures:				
Current:				
Public safety	16,764,800	16,743,200	15,725,959	1,017,241
Total expenditures	16,764,800	16,743,200	15,725,959	1,017,241
Net changes in fund balances	704,082	704,082	2,129,404	1,425,322
Fund balances, beginning of year	3,721,685	3,721,685	3,721,685	-
Fund balances, end of year	$ 4,425,767	$ 4,425,767	$ 5,851,089	$ 1,425,322

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, 2012	$ 8,496,673	$ 14,796,318	$ 6,299,645	57.4%	$ 2,877,352	218.9%
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%

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
April 1, 2012	$ -	$ 3,099,000	$ 3,099,000	0.0%	$ 46,580,000	6.7%
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.

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Trend Information for the Plan

Fiscal Year End	Annual Required Contribution (ARC)	Actual County Contributions	Percentage of ARC Contributed	Net Pension (Asset) Obligation
December 31, 2011	$ 752,501	$ 911,750	121.2%	$ (2,595,474)
December 31, 2010	907,259	1,288,250	142.0%	(2,445,096)
December 31, 2009	813,486	796,399	97.9%	(2,071,903)
December 31, 2008	626,061	626,061	100.0%	(2,044,939)
December 31, 2007	485,524	467,737	96.3%	(2,000,124)
December 31, 2006	556,081	593,713	106.8%	(1,975,006)

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

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Victims Rights & Assistance Fund - to account for funds collected from fines and forfeitures that are used to assist victims of crime. The allowable expenditures of these fines are restricted under state law.

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. The allowable expenditures of these fines are restricted under state law.

Emergency 911 Telephone System Fund - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services. The E911 charges are restricted in purpose by state law.

Sheriff's Law Enforcement Fund - to account for funds from seizures, which are restricted by state law, to be used for law enforcement activities.

District Attorney Seizure Fund - to account for funds received through seizures, which are restricted by state law, 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. The allowable expenditures of these fines are restricted under state law.

Juvenile Court Fund - to account for funds from fines and forfeitures to be used for law enforcement activities. The allowable expenditures of these fines are restricted under state law.

DUI Court Supervisor Fund - to account for funds collected from fines that are used to pay for DUI supervision fees. The allowable expenditures of these fines are restricted under state law.

Upper Chattahoochee Basin Fund - to account for funds received from participating governments restricted for 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. These taxes are restricted by state law on how they can be expended.

Capital Projects Fund

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

The Impact Fees Fund – to account for impact fees restricted for the acquisition or construction of specific capital projects.

FORSYTH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	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	$ 15,039	$ 426,806	$ 259,280	$ 133,928	$ 80,046	$ 131,238
Receivables, net of allowance for uncollectibles	20,366	27,604	482,528	-	-	8,830
Taxes receivable	-	-	-	-	-	-
Total assets	$ 35,405	$ 454,410	$ 741,808	$ 133,928	$ 80,046	$ 140,068
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 862	$ 19,668	$ 40,259	$ -	$ -	$ -
Accrued expenditures	-	-	5,700	-	-	-
Deferred revenue	14,934	3,995	-	-	-	-
Due to other funds	-	-	-	-	-	8,830
Total liabilities	15,796	23,663	45,959	-	-	8,830
FUND BALANCES						
Restricted:						
Judicial services	19,609	-	-	-	-	131,238
Public safety services	-	430,747	695,849	133,928	80,046	-
Capital projects	-	-	-	-	-	-
Jail construction and equiping	-	-	-	-	-	-
Total fund balances	19,609	430,747	695,849	133,928	80,046	131,238
Total liabilities and fund balances	$ 35,405	$ 454,410	$ 741,808	$ 133,928	$ 80,046	$ 140,068

Special Revenue Funds				Capital Projects Fund		
Juvenile Court Fund	DUI Court Supervisor Fund	Upper Chattahoochee Basin Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ 45,185	$ 55,680	$ -	$ -	$ 408,162	$ 8,167,845	$ 9,723,209
-	5,803	-	-	-	-	545,131
-	-	-	16,579	-	-	16,579
$ 45,185	$ 61,483	$ -	$ 16,579	$ 408,162	$ 8,167,845	$ 10,284,919
$ -	$ 6,149	$ -	$ 16,579	$ -	$ 1,841,848	$ 1,925,365
-	-	-	-	-	-	5,700
-	-	-	-	-	-	18,929
-	-	-	-	-	-	8,830
-	6,149	-	16,579	-	1,841,848	1,958,824
45,185	55,334	-	-	-	-	251,366
-	-	-	-	-	-	1,340,570
-	-	-	-	-	6,325,997	6,325,997
-	-	-	-	408,162	-	408,162
45,185	55,334	-	-	408,162	6,325,997	8,326,095
$ 45,185	$ 61,483	$ -	$ 16,579	$ 408,162	$ 8,167,845	$ 10,284,919

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2011

	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	50,814	58,780	-	-	-	-
Fines and forfeitures	153,678	159,209	-	362,137	1,715	43,551
Charges for services	-	-	3,413,764	-	-	-
Interest income	-	1,923	3,463	560	-	5
Contributions and donations	-	6,000	-	11,500	-	-
Miscellaneous	-	204	-	-	-	37,713
Total revenues	204,492	226,116	3,417,227	374,197	1,715	81,269
Expenditures:						
Current:						
Judicial	365,370	-	-	-	-	107,248
Public safety	-	120,067	3,586,810	581,401	6,669	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	365,370	120,067	3,586,810	581,401	6,669	107,248
Excess (deficiency) of revenues over expenditures	(160,878)	106,049	(169,583)	(207,204)	(4,954)	(25,979)
Other financing sources (uses):						
Proceeds from sale of assets	-	-	-	56,500	-	-
Transfers in	152,500	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses):	152,500	-	-	56,500	-	-
Net change in fund balances	(8,378)	106,049	(169,583)	(150,704)	(4,954)	(25,979)
Fund balances, beginning of year	27,987	324,698	865,432	284,632	85,000	157,217
Fund balances, end of year	$ 19,609	$ 430,747	$ 695,849	$ 133,928	$ 80,046	$ 131,238

Special Revenue Funds				Capital Projects Fund		
Juvenile Court Fund	DUI Court Supervisor Fund	Upper Chattahoochee Basin Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 226,796	$ -	$ -	$ 226,796
-	16,102	-	-	-	-	125,696
13,448	37,340	-	-	202,588	-	973,666
-	39	-	-	-	1,889,514	5,303,317
273	210	-	-	1,530	31,862	39,826
-	-	-	-	-	-	17,500
-	4,138	-	-	-	-	42,055
13,721	57,829	-	226,796	204,118	1,921,376	6,728,856
20,576	33,169	-	-	-	-	526,363
-	4,138	-	-	-	-	4,299,085
-	-	-	226,796	-	20	226,816
-	-	-	-	79,464	8,453,124	8,532,588
20,576	37,307	-	226,796	79,464	8,453,144	13,584,852
(6,855)	20,522	-	-	124,654	(6,531,768)	(6,855,996)
-	-	-	-	-	-	56,500
-	-	-	-	-	-	152,500
-	-	(3)	-	-	-	(3)
-	-	(3)	-	-	-	208,997
(6,855)	20,522	(3)	-	124,654	(6,531,768)	(6,646,999)
52,040	34,812	3	-	283,508	12,857,765	14,973,094
$ 45,185	$ 55,334	$ -	$ -	$ 408,162	$ 6,325,997	$ 8,326,095

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 107,100	$ 107,100	$ 50,814	$ (56,286)
Fines and forfeitures	102,000	105,770	153,678	47,908
Total revenues	209,100	212,870	204,492	(8,378)
Expenditures:				
Current:				
Judicial	361,600	365,370	365,370	-
Total expenditures	361,600	365,370	365,370	-
Deficiency of revenues over expenditures	(152,500)	(152,500)	(160,878)	(8,378)
Other financing sources:				
Transfers in	152,500	152,500	152,500	-
Total other financing sources	152,500	152,500	152,500	-
Net changes in fund balances	-	-	(8,378)	(8,378)
Fund balances, beginning of year	27,987	27,987	27,987	-
Fund balances, end of year	$ 27,987	$ 27,987	$ 19,609	$ (8,378)

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 27,800	$ 49,511	$ 58,780	$ 9,269
Fines and forfeitures	106,000	106,000	159,209	53,209
Interest income	-	-	1,923	1,923
Contributions	5,000	5,000	6,000	1,000
Miscellaneous	-	-	204	204
Total revenues	138,800	160,511	226,116	65,605
Expenditures:				
Current:				
Public safety	138,800	160,511	120,067	40,444
Total expenditures	138,800	160,511	120,067	40,444
Net changes in fund balances	-	-	106,049	106,049
Fund balances, beginning of year	324,698	324,698	324,698	-
Fund balances, end of year	$ 324,698	$ 324,698	$ 430,747	$ 106,049

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,713,400	$ 3,713,400	$ 3,413,764	$ (299,636)
Interest income	-	-	3,463	3,463
Total revenues	3,713,400	3,713,400	3,417,227	(296,173)
Expenditures:				
Current:				
Public safety	3,796,900	3,796,900	3,586,810	210,090
Total expenditures	3,796,900	3,796,900	3,586,810	210,090
Net changes in fund balances	(83,500)	(83,500)	(169,583)	(86,083)
Fund balances, beginning of year	865,432	865,432	865,432	-
Fund balances, end of year	$ 781,932	$ 781,932	$ 695,849	$ (86,083)

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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 362,137	$ 362,137	$ -
Interest income	-	560	560	-
Contributions	-	11,500	11,500	-
Total revenues	250,000	374,197	374,197	-
Expenditures:				
Current:				
Public safety	250,000	581,401	581,401	-
Total expenditures	250,000	581,401	581,401	-
Deficiency of revenues over expenditures	-	(207,204)	(207,204)	-
Other financing sources:				
Proceeds from sale of assets	-	-	56,500	56,500
Total other financing sources	-	-	56,500	56,500
Net changes in fund balances	-	(207,204)	(150,704)	56,500
Fund balances, beginning of year	284,632	284,632	284,632	-
Fund balances, end of year	$ 284,632	$ 77,428	$ 133,928	$ 56,500

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 10,000	$ 10,000	$ 1,715	$ (8,285)
Total revenues	10,000	10,000	1,715	(8,285)
Expenditures:				
Current:				
Public safety	18,500	18,500	6,669	11,831
Total expenditures	18,500	18,500	6,669	11,831
Net changes in fund balances	(8,500)	(8,500)	(4,954)	3,546
Fund balances, beginning of year	85,000	85,000	85,000	-
Fund balances, end of year	$ 76,500	$ 76,500	$ 80,046	$ 3,546

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ -	$ 43,551	$ 43,551	$ -
Interest income	-	-	5	5
Miscellaneous	21,800	37,713	37,713	-
Total revenues	21,800	81,264	81,269	5
Expenditures:				
Current:				
Judicial	34,500	107,248	107,248	-
Total expenditures	34,500	107,248	107,248	-
Net changes in fund balances	(12,700)	(25,984)	(25,979)	5
Fund balances, beginning of year	157,217	157,217	157,217	-
Fund balances, end of year	$ 144,517	$ 131,233	$ 131,238	$ 5

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 20,400	$ 20,400	$ 13,448	$ (6,952)
Interest income	-	176	273	97
Total revenues	20,400	20,576	13,721	(6,855)
Expenditures:				
Current:				
Judicial	20,400	20,576	20,576	-
Total expenditures	20,400	20,576	20,576	-
Net changes in fund balances	-	-	(6,855)	(6,855)
Fund balances, beginning of year	52,040	52,040	52,040	-
Fund balances, end of year	$ 52,040	$ 52,040	$ 45,185	$ (6,855)

FORSYTH COUNTY, GEORGIA
DUI COURT SUPERVISOR

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 21,400	$ 21,400	$ 16,102	$ (5,298)
Fines and forfeitures	54,000	54,000	37,340	(16,660)
Charges for services	-	-	39	39
Interest income	-	-	210	210
Miscellaneous	5,000	5,000	4,138	(862)
Total revenues	80,400	80,400	57,829	(22,571)
Expenditures:				
Current:				
Judicial	48,000	48,000	33,169	14,831
Public safety	5,000	5,000	4,138	862
Total expenditures	53,000	53,000	37,307	15,693
Net changes in fund balances	27,400	27,400	20,522	(6,878)
Fund balances, beginning of year	34,812	34,812	34,812	-
Fund balances, end of year	$ 62,212	$ 62,212	$ 55,334	$ (6,878)

FORSYTH COUNTY, GEORGIA
UPPER CHATTAHOOCHEE BASIN

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 40,000	$ 40,000	$ -	$ (40,000)
Total revenues	40,000	40,000	-	(40,000)
Expenditures:				
Current:				
General government	40,000	40,000	-	40,000
Total expenditures	40,000	40,000	-	40,000
Deficiency of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers out	-	-	(3)	(3)
Total other financing uses	-	-	(3)	(3)
Net changes in fund balances	-	-	(3)	(3)
Fund balances, beginning of year	3	3	3	-
Fund balances, end of year	$ 3	$ 3	$ -	$ (3)

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 168,900	$ 226,796	$ 226,796	$ -
Total revenues	168,900	226,796	226,796	-
Expenditures:				
Current:				
Housing and development	168,900	226,796	226,796	-
Total expenditures	168,900	226,796	226,796	-
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, 2011

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 9,021,989	$ 9,021,989	$ 9,262,186	$ 240,197
Investment income	50,000	50,000	61,688	11,688
Miscellaneous	-	-	305	305
Total revenues	9,071,989	9,071,989	9,324,179	252,190
Expenditures:				
Current:				
General government	71,100	71,100	244,932	(173,832)
Debt service:				
Principal	10,870,000	10,870,000	10,870,000	-
Interest	6,548,821	6,548,821	6,328,346	220,475
Total expenditures	17,489,921	17,489,921	17,443,278	46,643
Deficiency of revenues over expenditures	(8,417,932)	(8,417,932)	(8,119,099)	298,833
Other financing sources:				
Transfers in	-	-	9,751,251	9,751,251
Total other financing sources	-	-	9,751,251	9,751,251
Net changes in fund balances	(8,417,932)	(8,417,932)	1,632,152	10,050,084
Fund balances, beginning of year	28,308,490	28,308,490	28,308,490	-
Fund balances, end of year	$ 19,890,558	$ 19,890,558	$ 29,940,642	$ 10,050,084

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED DECEMBER 31, 2011

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	$ 96,777,043 (1)	$ 20,958	$ 96,798,001
Parks and recreation	12,250,000	12,250,000	7,921,367	7,202	7,928,569
Library facilities	4,762,000	4,762,000	4,128,916	-	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	17,789,529	10,800	17,800,329
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	$ 151,453,977	$ 38,960	$ 151,492,937
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 218,702,500	$ 218,702,500	$ 43,055,372	$ 20,665,835	$ 63,721,207
Public safety facilities	17,800,000	17,800,000	-	569,453	569,453
Park and recreation facilities	13,500,000	24,000,000	20,939,752	2,827,484	23,767,236
Library facilities	7,200,000	7,200,000	-	-	-
Cultural facilities	6,000,000	6,000,000	3,701,674	487,161	4,188,835
Payments to the City of Cumming	11,797,500	11,797,500	2,857,149	1,249,620	4,106,769
Total 2008 SPLOST	$ 275,000,000	$ 285,500,000	$ 70,553,947	$ 25,799,553	$ 96,353,500
Land for courthouse purchased with borrowing from General Fund for new 2012 SPLOST				$ 636,901	
Road improvements purchased with grant proceeds				2,597,931	
				$ 29,073,345	

(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, 2011

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
ASSETS				
Current assets:				
Cash	$ 2,172,406	$ 699,748	$ 652,503	$ 1,216,311
Investments	-	2,696,594	-	-
Receivables (net of allowance for uncollectibles)	-	20,571	13,635	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	18,576	-
Prepaid items	283,254	-	30,748	234,890
Total current assets	2,455,660	3,416,913	715,462	1,451,201
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	-	-	16,710	13,520
Capital assets, being depreciated	-	-	682,471	2,121,481
Less accumulated depreciation	-	-	(643,178)	(1,506,116)
Total capital assets, net of accumulated depreciation	-	-	56,003	628,885
Total assets	2,455,660	3,416,913	771,465	2,080,086
LIABILITIES				
Current liabilities:				
Accounts payable	19,638	80,276	47,089	68,811
Unearned revenue	-	-	-	-
Compensated absences due within one year	2,065	-	167,151	64,556
Claims payable, due within one year	622,000	660,000	-	-
Total current liabilities	643,703	740,276	214,240	133,367
Long-term liabilities:				
Advance from other funds	7,031	-	-	-
Compensated absences due in more than one year	516	-	41,788	16,139
Claims payable	118,000	670,000	-	-
Total long-term liabilities	125,547	670,000	41,788	16,139
Total liabilities	769,250	1,410,276	256,028	149,506
NET ASSETS				
Invested in capital assets	-	-	56,003	628,885
Unrestricted	1,686,410	2,006,637	459,434	1,301,695
Total net assets	$ 1,686,410	$ 2,006,637	$ 515,437	$ 1,930,580

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 179,484	$ 553,778	$ 198,839	$ 529,448	$ 6,202,517
-	-	-	-	2,696,594
-	15,000	-	-	49,206
-	-	-	7,804	7,804
-	15,000	-	-	15,000
-	-	220,694	-	239,270
-	-	-	-	548,892
179,484	583,778	419,533	537,252	9,759,283
-	25,786	-	51,326	107,342
394,325	782,811	641,087	1,539,839	6,162,014
(174,133)	(660,637)	(419,359)	(641,740)	(4,045,163)
220,192	147,960	221,728	949,425	2,224,193
399,676	731,738	641,261	1,486,677	11,983,476
131	3,485	13,042	184,754	417,226
-	-	-	375	375
1,375	36,970	60,823	47,954	380,894
-	-	-	-	1,282,000
1,506	40,455	73,865	233,083	2,080,495
-	-	7,217	8,867	23,115
344	9,243	15,206	11,989	95,225
-	-	-	-	788,000
344	9,243	22,423	20,856	906,340
1,850	49,698	96,288	253,939	2,986,835
220,192	147,960	221,728	949,425	2,224,193
177,634	534,080	323,245	283,313	6,772,448
$ 397,826	$ 682,040	$ 544,973	$ 1,232,738	$ 8,996,641

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
OPERATING REVENUES				
Charges for services	$ 1,529,600	$ 1,145,000	$ 3,758,500	$ 3,970,800
Insurance recoveries	69,473	149,100	-	-
Other operating income	-	-	66,190	-
Total operating revenues	1,599,073	1,294,100	3,824,690	3,970,800
OPERATING EXPENSES				
Salaries and benefits	143,207	-	2,088,947	1,301,690
Supplies and maintenance	-	-	1,158,481	1,589,441
Claims paid	500,073	701,525	-	-
Insurance premiums	646,482	389,017	-	-
General and administrative	40,693	-	-	-
Depreciation expense	-	-	82,972	226,539
Total operating expenses	1,330,455	1,090,542	3,330,400	3,117,670
Operating income	268,618	203,558	494,290	853,130
NONOPERATING REVENUES				
Investment earnings	-	28,349	79	-
Intergovernmental	-	-	787	-
Total nonoperating revenues	-	28,349	866	-
INCOME BEFORE CAPITAL CONTRIBUTIONS	268,618	231,907	495,156	853,130
Capital contributions	-	-	-	-
Change in net assets	268,618	231,907	495,156	853,130
NET ASSETS, beginning of year	1,417,792	1,774,730	20,281	1,077,450
NET ASSETS, end of year	$ 1,686,410	$ 2,006,637	$ 515,437	$ 1,930,580

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 731,800	$ 1,528,200	$ 1,195,300	$ 3,617,500	$ 17,476,700
-	-	-	-	218,573
-	38,480	-	162,029	266,699
731,800	1,566,680	1,195,300	3,779,529	17,961,972
85,376	924,320	928,782	962,218	6,434,540
555,800	343,133	191,309	2,630,211	6,468,375
-	-	-	-	1,201,598
-	-	-	-	1,035,499
-	-	-	-	40,693
32,287	58,680	35,119	77,333	512,930
673,463	1,326,133	1,155,210	3,669,762	15,693,635
58,337	240,547	40,090	109,767	2,268,337
-	-	-	36	28,464
-	-	-	221,386	222,173
-	-	-	221,422	250,637
58,337	240,547	40,090	331,189	2,518,974
-	-	80,410	-	80,410
58,337	240,547	120,500	331,189	2,599,384
339,489	441,493	424,473	901,549	6,397,257
$ 397,826	$ 682,040	$ 544,973	$ 1,232,738	$ 8,996,641

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,599,373	$ 1,294,100	$ 3,821,969	$ 3,970,800
Payments to suppliers and service providers	(1,285,288)	(1,177,757)	(1,161,604)	(1,690,475)
Payments to employees	(140,626)	-	(2,147,424)	(1,347,790)
Net cash provided by operating activities	173,459	116,343	512,941	932,535
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	-	(34,377)	-	-
Interest received	-	26,631	79	-
Net cash provided (used) by investing activities	-	(7,746)	79	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(16,711)	(122,576)
Intergovernmental grant	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	(16,711)	(122,576)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	(18,375)	-	-	-
Intergovernmental grant	-	-	787	-
Net cash used in noncapital financing activities	(18,375)	-	787	-
Net increase in cash and cash equivalents	155,084	108,597	497,096	809,959
Cash and cash equivalents:				
Beginning of year	2,017,322	591,151	155,407	406,352
End of year	$ 2,172,406	$ 699,748	$ 652,503	$ 1,216,311
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 268,618	$ 203,558	$ 494,290	$ 853,130
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	-	82,972	226,539
Decrease (increase) in accounts receivable	300	-	(2,721)	-
Increase in due from other funds	-	-	-	-
Decrease in inventory	-	-	7,544	-
Increase in prepaids	(4,446)	-	(30,748)	(164,970)
Increase (decrease) in accounts payable	(113,594)	(127,215)	20,081	63,936
Decrease in unearned revenue	-	-	-	-
Increase (decrease) in compensated absences	2,581	-	(58,477)	(46,100)
Increase in claims payable	20,000	40,000	-	-
Net cash provided by operating activities	$ 173,459	$ 116,343	$ 512,941	$ 932,535
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ -	$ -	$ -	$ -

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 731,800	$ 1,536,680	$ 1,195,300	$ 3,788,617	$ 17,938,639
(563,958)	(340,409)	(185,159)	(2,571,350)	(8,976,000)
(88,614)	(937,908)	(943,948)	(976,954)	(6,583,264)
79,228	258,363	66,193	240,313	2,379,375
-	-	-	-	(34,377)
-	-	-	36	26,746
-	-	-	36	(7,631)
-	(16,347)	-	(219,242)	(374,876)
-	-	-	213,582	213,582
-	(16,347)	-	(5,660)	(161,294)
-	-	(3,608)	(4,434)	(26,417)
-	-	-	-	787
-	-	(3,608)	(4,434)	(25,630)
79,228	242,016	62,585	230,255	2,184,820
100,256	311,762	136,254	299,193	4,017,697
$ 179,484	$ 553,778	$ 198,839	$ 529,448	$ 6,202,517
$ 58,337	$ 240,547	$ 40,090	$ 109,767	$ 2,268,337
32,287	58,680	35,119	77,333	512,930
-	(15,000)	-	10,388	(7,033)
-	(15,000)	-	-	(15,000)
-	-	5,345	-	12,889
-	-	-	-	(200,164)
(8,158)	2,724	805	58,861	(102,560)
-	-	-	(1,300)	(1,300)
(3,238)	(13,588)	(15,166)	(14,736)	(148,724)
-	-	-	-	60,000
$ 79,228	$ 258,363	$ 66,193	$ 240,313	$ 2,379,375
$ -	$ -	$ 80,410	$ -	$ 80,410

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, 2011

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 1,807,599	$ 264,276	$ 3,455,575	$ 12,250	$ 65,959	$ 2,150	$ 5,607,809
Other receivables	16,833	-	-	-	-	-	16,833
Taxes receivable	8,062,355	-	-	-	-	-	8,062,355
Total assets	$ 9,886,787	$ 264,276	$ 3,455,575	$ 12,250	$ 65,959	$ 2,150	$ 13,686,997
LIABILITIES							
Due to others	$ 1,824,432	$ 264,276	$ 3,455,575	$ 12,250	$ 65,959	$ 2,150	$ 5,624,642
Uncollected taxes	8,062,355	-	-	-	-	-	8,062,355
Total liabilities	$ 9,886,787	$ 264,276	$ 3,455,575	$ 12,250	$ 65,959	$ 2,150	$ 13,686,997

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
Tax Commissioner				
ASSETS				
Cash	$ 2,268,756	$ 229,604,550	$ (230,065,707)	$ 1,807,599
Other receivables	49,489	16,833	(49,489)	16,833
Taxes receivable	10,976,927	206,283,605	(209,198,177)	8,062,355
Total assets	$ 13,295,172	$ 435,904,988	$ (439,313,373)	$ 9,886,787
LIABILITIES				
Due to others	$ 2,318,245	$ 229,621,383	$ (230,115,196)	$ 1,824,432
Uncollected taxes	10,976,927	206,283,605	(209,198,177)	8,062,355
Total liabilities	$ 13,295,172	$ 435,904,988	$ (439,313,373)	$ 9,886,787
Sheriff				
ASSETS				
Cash	$ 163,325	$ 2,020,846	$ (1,919,895)	$ 264,276
Total assets	$ 163,325	$ 2,020,846	$ (1,919,895)	$ 264,276
LIABILITIES				
Due to others	$ 163,325	$ 2,020,846	$ (1,919,895)	$ 264,276
Total liabilities	$ 163,325	$ 2,020,846	$ (1,919,895)	$ 264,276
Clerk of Superior Court				
ASSETS				
Cash	$ 2,249,687	$ 15,178,146	$ (13,972,258)	$ 3,455,575
Total assets	$ 2,249,687	$ 15,178,146	$ (13,972,258)	$ 3,455,575
LIABILITIES				
Due to others	$ 2,249,687	$ 15,178,146	$ (13,972,258)	$ 3,455,575
Total liabilities	$ 2,249,687	$ 15,178,146	$ (13,972,258)	$ 3,455,575

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1, 2011	Increases	Decreases	Balance December 31, 2011
Probate Court				
ASSETS				
Cash	$ 9,304	$ 570,272	$ (567,326)	$ 12,250
Total assets	$ 9,304	$ 570,272	$ (567,326)	$ 12,250
LIABILITIES				
Due to others	$ 9,304	$ 570,272	$ (567,326)	$ 12,250
Total liabilities	$ 9,304	$ 570,272	$ (567,326)	$ 12,250
Magistrate Court				
ASSETS				
Cash	$ 43,827	$ 996,588	$ (974,456)	$ 65,959
Total assets	$ 43,827	$ 996,588	$ (974,456)	$ 65,959
LIABILITIES				
Due to others	$ 43,827	$ 996,588	$ (974,456)	$ 65,959
Total liabilities	$ 43,827	$ 996,588	$ (974,456)	$ 65,959
Juvenile Court				
ASSETS				
Cash	$ 840	$ 24,245	$ (22,935)	$ 2,150
Total assets	$ 840	$ 24,245	$ (22,935)	$ 2,150
LIABILITIES				
Due to others	$ 840	$ 24,245	$ (22,935)	$ 2,150
Total liabilities	$ 840	$ 24,245	$ (22,935)	$ 2,150
Total Agency Funds				
ASSETS				
Cash	$ 4,735,739	$ 248,394,647	$ (247,522,577)	$ 5,607,809
Other receivables	49,489	16,833	(49,489)	16,833
Taxes receivable	10,976,927	206,283,605	(209,198,177)	8,062,355
Total assets	$ 15,762,155	$ 454,695,085	$ (456,770,243)	$ 13,686,997
LIABILITIES				
Due to others	$ 4,785,228	$ 248,411,480	$ (247,572,066)	$ 5,624,642
Uncollected taxes	10,976,927	206,283,605	(209,198,177)	8,062,355
Total liabilities	$ 15,762,155	$ 454,695,085	$ (456,770,243)	$ 13,686,997

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 **89-96**

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 **97-103**

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

Debt Capacity **104-108**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information ..... **109 and 110**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information **111-114**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The government implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

FORSYTH COUNTY, GEORGIA

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	$ 756,006
Restricted:										
Debt service	-	-	2,811	3,998	4,852	6,498	7,446	23,355	28,451	29,941
Fire services	-	-	352	134	-	-	-	-	-	-
Capital projects	-	-	9,008	12,166	18,754	10,921	20,312	31,777	35,147	47,647
Impact fee programs	-	-	-	-	-	12,429 (2)	12,343	-	-	-
Public safety programs	-	-	6,062	3,727	-	1,391	1,851	-	-	6,796
Judicial programs	-	-	-	250	268	133	46	-	-	251
Jail construction	-	-	-	-	-	-	-	-	-	408
Grant projects	-	-	-	-	-	-	-	-	-	56
Unrestricted:	66,356	63,743	55,995	63,187	64,310	35,991	23,912	28,316	45,012	36,368
Total governmental activities net assets	$ 160,541	$ 184,997	$ 246,099	$ 309,283	$ 649,622	$ 725,105	$ 764,988	$ 776,783	$ 806,139	$ 877,473
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	$ 281,932
Restricted	8,877	13,507	880	2,597	2,695	1,738	2,418	4,075	4,142	4,207
Unrestricted	5,814	1,123	25,238	31,506	49,403	59,703	57,755	45,253	35,317	41,135
Total business-type activities net assets	$ 116,755	$ 141,576	$ 175,466	$ 212,367	$ 264,434	$ 296,161	$ 296,953	$ 285,473	$ 315,346	$ 327,274
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	$ 973,416	$ 1,037,939
Restricted	8,877	13,507	19,113	22,872	26,569	33,110	44,416	59,207	67,740	89,306
Unrestricted	72,170	64,866	81,233	94,693	113,713	95,694	81,667	73,569	80,329	77,503
Total primary government net assets	$ 277,296	$ 326,573	$ 421,565	$ 521,650	$ 914,056	$ 1,021,266	$ 1,061,941	$ 1,062,256	$ 1,121,485	$ 1,204,747

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES										
Governmental activities:										
General Government	$ 5,711	$ 6,348	$ 7,911	$ 5,636	$ 11,914	$ 37,603	$ 29,262	$ 17,246 (1)	$ 14,181	$ 12,658
Judicial	6,511	7,178	7,728	8,141	9,543	10,678	11,679	11,618	11,271	11,276
Public Safety	24,357	27,752	32,055	36,439	43,327	50,289	62,991	61,072	57,674	59,341
Public Works	9,265	10,833	13,051	16,866	27,449	9,289	16,198	15,913	15,791	15,133
Health and Welfare	3,309	1,474	1,645	1,736	2,138	2,409	3,059	2,483	2,529	3,108
Culture and Recreation	7,543	7,482	8,692	10,071	10,684	12,081	13,568	15,689	13,524	12,877
Housing and Development	3,117	3,195	3,479	4,107	5,094	6,759	7,168	5,717	4,460	4,197
Interest and paying agent fees	2,713	1,721	1,497	1,809	1,763	1,828	2,043	6,400 (2)	6,360	6,207
Total governmental activities expenses	62,526	65,983	76,058	84,805	111,912	130,936	145,968	136,138	125,790	124,797
Business-type activities:										
Water and sewer	18,730	19,523	20,602	24,629	48,518	39,617	38,322	32,521	32,283	31,457
Solid waste	611	408	429	1,571	835	557	985	599	671	789
Total business-type activities expenses	19,341	19,931	21,031	26,200	49,353	40,174	39,307	33,120	32,954	32,246
Total primary government expenses	$ 81,867	$ 85,914	$ 97,089	$ 111,005	$ 161,265	$ 171,110	$ 185,275	$ 169,258	$ 158,744	$ 157,043
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	$ 6,232
Judicial	2,678	4,663	5,726	3,843	3,547	4,375	4,184	4,553	4,367	4,487
Public Safety	4,234	2,610	2,885	4,837	5,390	6,185	6,280	5,194	5,221	4,868
Public Works	534	10	164	113	100	20	181	1,132	1,938	2,101
Health and Welfare	13	-	-	-	2	8	26	67	69	92
Culture and Recreation	649	937	999	5,750	5,981	1,534	1,816	1,868	1,849	1,895
Housing and Development	4,071	4,901	5,179	6,796	7,456	364	381	2,588	2,800	2,845
Total charges for services	14,664	16,675	19,477	21,884	22,940	27,372	24,567	21,874	22,140	22,520
Operating grants and contributions	857	1,076	1,348	1,611	1,756	1,778	1,784	3,084	1,347	1,283
Capital grants and contributions	18,740	15,180	26,101	19,253	46,266	58,620	43,006	3,967 (3)	6,200	35,503
Total governmental activities program revenues	34,261	32,931	46,926	42,748	70,962	87,770	69,357	28,925	29,687	59,306
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	32,179
Solid waste	318	499	475	637	684	608	929	1,492	1,227	1,803
Total charges for services	17,696	13,952	16,045	19,766	26,405	42,285	21,079	29,900	31,383	33,982
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	9,695
Total business-type activities program revenues	24,188	30,203	55,964	62,418	76,885	68,393	36,639	35,465	59,402	43,677
Total primary government program revenues	$ 58,449	$ 63,134	$ 102,890	$ 105,166	$ 147,847	$ 156,163	$ 105,996	$ 64,390	$ 89,089	$ 102,983

(continued)

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue										
Governmental activities	$ (28,265)	$ (33,052)	$ (29,132)	$ (42,057)	$ (40,950)	$ (43,166)	$ (76,611)	$ (107,213)	$ (96,103)	$ (65,491)
Business-type activities	4,847	10,272	34,933	36,218	27,532	28,219	(2,668)	2,345	26,448	11,431
Total primary government net expense	$ (23,418)	$ (22,780)	$ 5,801	$ (5,839)	$ (13,418)	$ (14,947)	$ (79,279)	$ (104,868)	$ (69,655)	$ (54,060)
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	$ 70,006
Sales Taxes	36,475	38,055	43,890	51,791	59,202	59,680	54,334	46,539	50,635	54,243
Insurance premium taxes	-	3,591	3,885	4,149	4,348	4,572	4,683	4,616	4,489	7,114
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	3,154
Total taxes	62,077	69,210	85,630	100,596	113,503	112,264	113,433	117,174	124,495	134,517
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	980
Miscellaneous	55	165	(78)	233	98	-	-	2,673	520	1,327
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	136,824
Business-type activities:										
Investment earnings	1,545	851	533	684	2,279	3,509	3,460	594	777	497
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	497
Total primary government	$ 68,008	$ 72,057	$ 89,191	$ 105,924	$ 122,429	$ 122,310	$ 121,347	$ 121,510	$ 126,943	$ 137,321
CHANGE IN NET ASSETS										
Governmental activities	$ 26,457	$ 24,456	$ 61,103	$ 63,182	$ 78,766	$ 75,635	$ 41,276	$ 13,703 (3)	$ 30,061	$ 71,333
Business-type activities	18,133	24,821	33,889	36,902	30,245	31,728	792	2,939	27,227	11,928
Total primary government	$ 44,590	$ 49,277	$ 94,992	$ 100,085	$ 109,011	$ 107,363	$ 42,068	$ 16,642	$ 57,288	$ 83,261

(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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (3)
General fund										
Reserved	$ 405	$ 47	$ -	$ 808	$ 292	$ 651	$ 173	$ 14,736 (1)	$ 22,925	$ -
Unreserved	30,019	35,036	42,789	48,238	40,857	33,083	27,026	- (1)	4,548	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	-	-	5
Inventory	-	-	-	-	-	-	-	-	-	275
Restricted:										
Grant projects	-	-	-	-	-	-	-	-	-	48
Committed:										
Tree replacement	-	-	-	-	-	-	-	-	-	23
Paving expenditures	-	-	-	-	-	-	-	-	-	222
Assigned:										
Use of fund balance in subsequent budget	-	-	-	-	-	-	-	-	-	1,046
Professional services	-	-	-	-	-	-	-	-	-	42
Capital projects	-	-	-	-	-	-	-	-	-	747
Supplies and materials	-	-	-	-	-	-	-	-	-	5
Unassigned	-	-	-	-	-	-	-	-	-	35,483
Total general fund	30,424	35,083	42,789	49,046	41,149	33,734	27,199	14,736	27,473	37,896

Continued

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (3)
All other governmental funds										
Reserved	$ 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	4,854	6,025	6,110	3,977	1,526	669	1,883	1,935	4,988	-
Debt service funds				-	-	-	-	-	-	-
Capital projects funds	17,741	12,714	9,010	1,048	6,984	(8,597)	(7,123)	417	184	-
Nonspendable:										
Inventory	-	-	-	-	-	-	-	-	-	387
Long-term advances	-	-	-	-	-	-	-	-	-	97
Restricted:										
Judicial services	-	-	-	-	-	-	-	-	-	251
Public safety services	-	-	-	-	-	-	-	-	-	6,796
Grant projects	-	-	-	-	-	-	-	-	-	8
Capital projects	-	-	-	-	-	-	-	-	-	59,971
Jail construction and equipping	-	-	-	-	-	-	-	-	-	408
Debt service	-	-	-	-	-	-	-	-	-	29,941
Total all other governmental funds	27,754	20,536	19,995	21,323	32,660	22,433	122,259	116,707	102,704	97,859
Total all funds	$ 58,178	$ 55,619	$ 62,784	$ 70,369	$ 73,809	$ 56,167	$ 149,458	$ 131,443	$ 130,177	$ 135,755

(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.

(3) The County implmented GASB Statement No. 54 for the year ending December 31, 2011.

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
REVENUES										
Taxes (see table 5)	$ 61,894	$ 68,226	$ 85,169	$ 97,109	$ 109,431	$ 112,195	$ 112,641	$ 116,381	$ 124,817	$ 134,633
Licenses and permits	4,381	5,251	10,110	13,318	13,902	11,023	6,818	3,784	4,074	4,365
Intergovernmental	6,700	4,300	5,611	5,170	16,589	6,506	7,495	5,248	2,882	4,231
Fines and forfeitures	2,648	2,616	3,110	2,946	4,049	3,376	4,719	4,089	3,930	3,329
Charges for services	7,395	8,657	9,458	9,190	10,019	12,012	12,996	13,751	14,065	14,756
Contributions and donations	543	1,207	688	273	1,603	9,180	3,324	140	82	69
Investment earnings	3,085	1,102	1,475	2,550	4,329	3,936	2,459	1,377	1,192	1,004
Miscellaneous	141	267	92	492	450	505	484	2,743	1,074	1,527
Total revenues	86,787	91,626	115,713	131,048	160,372	158,733	150,935	147,513	152,116	163,914
EXPENDITURES										
General government	5,258	5,801	6,933	7,365	8,065	10,328	13,396	15,216	10,742	11,075
Judicial	6,428	7,048	7,755	8,145	9,541	10,183	10,539	11,107	10,942	11,599
Public safety	24,088	26,850	31,785	36,748	43,559	48,417	54,340	56,003	54,706	59,103
Public works	6,158	6,486	6,547	7,964	9,160	7,701	6,610	6,616	5,473	5,989
Public health and welfare	2,927	1,389	1,574	1,648	2,138	2,307	2,678	2,410	2,499	3,051
Recreation and culture	6,506	7,368	8,277	9,575	10,671	11,734	12,022	12,095	11,563	12,245
Housing and development	3,489	3,478	3,563	4,245	4,954	6,389	6,311	5,478	4,356	4,324
Intergovernmental	2,938	3,085	3,617	4,182	10,796	13,145	13,889	-	1,165	1,250
Capital Outlay	25,347	18,598	36,089	41,223	52,398	63,472	56,110	54,731	34,578	32,290
Principal on long-term debt	-	30	1,078	693	888	1,098	1,343	1,405	10,070	10,870
Interest and paying agent fees	2,580	1,913	1,126	1,643	1,620	1,576	1,518	5,670	7,198	6,736
Bond issuance costs	25	(2)	429	-	-	-	834	-	-	-
Landfill closure/postclosure costs	70	48	-	-	-	-	-	-	-	-
Total expenditures	85,814	82,092	108,773	123,431	153,790	176,350	179,590	170,731	153,292	158,532
Excess of revenues over (under) expenditures	973	9,534	6,940	7,617	6,582	(17,617)	(28,655)	(23,218)	(1,176)	5,382

(continued)

FORSYTH COUNTY, GEORGIA

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
OTHER FINANCING SOURCES (USES)										
Sale of County Property	-	34	-	69	275	56	290	89	32	196
Transfers in	5,858	5,194	5,278	7,771	20,631	17,268	6,017	12,023	20,668	11,008
Transfers out	(16,723)	(19,364)	(5,482)	(7,871)	(24,048)	(17,196)	(5,691)	(12,023)	(20,668)	(11,008)
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)	(10,865)	(13,094)	225	(31)	(3,142)	128	121,946	89	32	196
Net change in fund balances	$ (9,892)	$ (3,560)	$ 7,165	$ 7,586	$ 3,440	$ (17,489)	$ 93,291	$ (23,129)	$ (1,144)	$ 5,578
Debt service as a percentage of noncapital expenditures	4.3%	3.1%	3.6%	2.8%	2.5%	2.4%	3.0%	6.1%	14.6%	14.3%

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
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
2011	70,122	54,243	7,114	3,154	134,633

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)

Fiscal Year	Tax Year	Real Property				Personal Property				Less Exemptions:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (3)	Assessed Value as a Percentage of Actual Value
		Residential Property	Agricultural Property (1)	Commercial & Industrial	Public Utilities	Inventory & Equipment (4)	Motor Vehicles	Mobile Homes	Other (2)	Real Property	Personal Property				
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	4.480	$ 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	6.500	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	6.325	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	6.047	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	5.795	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	6.045	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	6.795	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	6.871	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	7.656	21,564,990	40.00%
2012	2011	6,399,292	249,215	1,285,511	106,646	595,639	540,457	13,905	48,625	513,193	508,463	8,217,634	7.656	20,544,085	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
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
2012	2011	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.250	26.624

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, 2011
(amounts expressed in thousands)

Taxpayer	Type of Business	2011 Taxable Assessed Value	2011 Rank	2011 Percentage of Total Taxable Assessed Value	2002 Taxable Assessed Value	2002 Rank	2002 Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 50,028	1	0.61%	$ 84,881	1	1.72%
Georgia Transmission Corporation	Power Transfer Utility	27,325	2	0.33%	40,153	4	0.81%
United Parcel Service	Delivery Service	16,673	3	0.20%	-	-	-
Scientific Games, Inc.	Printed Lottery Tickets	16,497	4	0.20%	51,346	3	1.04%
Avenue Forsyth, LLC	Shopping Complex	13,801	5	0.17%	-	-	-
Solvay Advanced Polymers, LLC	Plastic Manufacturer	12,102	6	0.15%	36,651	5	0.74%
Northside Hospital, Inc.	Healthcare Facility	11,501	7	0.14%	-	-	-
Georgia Power Company	Utility Company	11,113	8	0.14%	-	-	-
Hendon/Atlanta RIM Johns Creek, LLC	Investment Company	10,791	9	0.13%	-	-	-
Cole Mountain Cumming, LLC	Developer	9,895	10	0.12%	-	-	-
Bellsouth Communications	Telephone Utility	-	-	-	59,272	2	1.20%
Tyson Foods, Inc.	Poultry Products	-	-	-	35,065	6	0.71%
Winward Associates	Commercial Real Estate	-	-	-	30,931	7	0.63%
IBM Credit Corp.	Financial Services	-	-	-	27,026	8	0.55%
JDN Realty Corp.	Real Estate Development	-	-	-	25,519	9	0.52%
Atlanta Gas Light Co.	Gas Utility	-	-	-	25,460	10	0.52%
Totals		$ 179,726		2.19%	$ 416,304		8.45%

Source: Forsyth County Tax Commissioner

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	
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%	3,998	51,190	99.93%	36
2009	2008	11/15/08	60,011	1,089	1,376	62,476	54,665	91.09%	7,681	62,346	99.79%	130
2010	2009	11/15/09	62,417	(613)	165	61,969	57,274	91.76%	4,563	61,837	99.79%	132
2011	2010	11/15/10	66,880	(829)	172	66,223	62,299	93.15%	3,317	65,616	99.08%	607
2012	2011	11/15/11	64,220	(729)	41	63,532	60,935	94.88%	-	60,935	95.91%	2,597

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2010 are recorded as revenues in the financial statements in 2011 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, 2011
(amounts expressed in thousands)

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	32,356,460	$ 194,116	0.92%
Truby Inc	Private Water System	20,505,350	77,272	0.37%
City of Cumming Utly Dept	Government	15,335,200	43,150	0.21%
A & A Water Company	Private Water System	15,071,800	59,969	0.29%
Carlyle Centennill LLC	Apartments	13,111,300	49,063	0.23%
Pine Ridge Assoc LLC	Private Water System	11,831,600	45,148	0.21%
Summit Crossing Apartments	Apartments	10,215,180	39,066	0.19%
Cousins Properties	Commercial Developer	10,053,750	40,791	0.19%
Solvay Specialty Polymers USA LLC	Manufacturing	7,405,700	27,865	0.13%
Scientific Games	Manufacturing	7,072,500	26,625	0.13%
All other customers			20,414,480	97.13%
Total Billing			$ 21,017,545	

FORSYTH COUNTY, GEORGIA

TOP 10 SEWER CUSTOMERS
December 31, 2011

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	30,816,820	$ 98,227	0.93%
Carlyle Centennill LLC	Apartments	13,111,300	63,679	0.61%
Summit Crossing Apartments	Apartments	10,215,180	47,208	0.45%
Cousins Properties	Commercial Developer	10,053,750	49,140	0.47%
Wal-Mart	Retail	7,925,103	66,296	0.63%
Solvay Advanced Polymers	Manufacturing	7,405,700	36,084	0.34%
Scientific Games	Manufacturing	7,072,500	34,471	0.33%
Alta Johns Creek, LLC	Assisted Living	3,873,000	18,985	0.18%
Westerra Winward	Office Bldgs	3,869,520	18,968	0.18%
McDonald Winward Partners	Office Bldgs	3,074,800	15,122	0.14%
All other customers			10,067,779	95.74%
Total Billing			$ 10,515,959	

FORSYTH COUNTY, GEORGIA

WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2011

METER SIZE (1)	TAP FEE EXISTING LINES	TAP FEE UNDER CONSTRUCTION	MINIMUM MONTHLY CHARGES
3/4	$ 1,800	$ 250	$ 12
1	3,300	850	15
1 1/2	7,500	NA	20
2	10,000	NA	30
3	18,900	NA	90
4	29,400	NA	125
6	68,200	NA	250
8	101,900	NA	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.
NA - No taps under construction in these sizes.
(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)	Notes Payable	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2002	$ 32,780	$ 4,381	$ -	$ 37,161	$ 96,500	$ -	$ 96,500	$ 133,661	3.49%	$ 1,151
2003	32,750	3,458	1,042	37,250	85,970	-	85,970	123,220	3.09%	1,001
2004	33,875	2,129	833	36,837	73,940	-	73,940	110,777	2.54%	851
2005	33,390	1,068	625	35,083	123,850	-	123,850	158,933	3.26%	1,148
2006	32,710	837	417	33,964	122,160	-	122,160	156,124	2.82%	1,053
2007	31,820	335	208	32,363	169,340	-	169,340	201,703	3.24%	1,274
2008	148,685	7,777	-	156,462	166,660	-	166,660	323,122	4.92%	2,018
2009	147,280	7,777	-	155,057	163,495	-	163,495	318,552	4.28%	1,825
2010	137,210	7,777	-	144,987	160,200	-	160,200	305,187	3.99%	1,705
2011	126,340	7,777	-	134,117	156,285	3,826	160,111	294,228	4.13%	1,618

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, except per capita amounts)

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2002	$ 32,780	$ 727	$ 32,053	0.26%	$ 276
2003	32,750	1,730	31,020	0.24%	252
2004	33,875	2,811	31,064	0.22%	239
2005	33,390	3,998	29,392	0.18%	212
2006	32,710	5,396	27,314	0.15%	184
2007	31,820	7,010	24,810	0.12%	157
2008	148,685	8,406	140,279	0.63%	876
2009	147,280	23,355	123,925	0.55%	710
2010	137,210	28,308	108,902	0.50%	608
2011	126,340	29,941	96,399	0.47%	530

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, 2011
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 380,458	100.00%	$ 380,458
City of Cumming	-	100.00%	-
Subtotal, overlapping debt	380,458		380,458
Forsyth County direct debt	126,340	100.00%	126,340
Total direct and overlapping debt	$ 506,798		$ 506,798

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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed value of property	$ 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	$ 9,239,290
Debt limit (10% of total assessed value)	566,134	596,643	644,906	733,934	842,972	946,686	1,027,999	1,034,317	989,893	923,929
Amount of Debt applicable to limit:										
General obligation bonds	32,780	32,750	33,875	33,390	32,710	31,820	148,685	147,280	137,210	126,340
Less: Resources restricted to paying principal	(727)	(1,730)	(2,811)	(3,998)	(5,396)	(7,010)	(8,406)	(23,355)	(28,308)	(29,941)
Total net debt applicable to limit	32,053	31,020	31,064	29,392	27,314	24,810	140,279	123,925	108,902	96,399
Legal debt margin	$ 534,081	$ 565,623	$ 613,842	$ 704,542	$ 815,658	$ 921,876	$ 887,720	$ 910,392	$ 880,991	$ 827,530
Total net debt applicable to the limit as a percentage of debt limit	5.66%	5.20%	4.82%	4.00%	3.24%	2.62%	13.65%	11.98%	11.00%	10.43%

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	
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
2011	32,178,927	19,046,354	13,132,573	3,430,000	6,158,043	9,588,043	1.37

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)	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		
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%
2011	181,840	7,122,081	39,166	n/a	n/a	n/a	35,945	7.30%

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.

FORSYTH COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2011			2002		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County School	4,142	1	4.94%	2,750	1	4.43%
Northside Hospital - Forsyth	1,500	2	1.79%	275	7	0.44%
Tyson Foods, Inc.	1,235	3	1.47%	-	-	-
Forsyth County Government	1,120	4	1.34%	794	3	1.28%
Kroger Company	996	5	1.19%	-	-	-
Scientific Games	990	6	1.18%	650	4	1.05%
Koch Foods	941	7	1.12%	-	-	-
Publix	672	8	0.80%	-	-	-
Siemens Energy & Automation, Inc.	559	9	0.67%	1,600	2	2.58%
Kaplan Higher Education	354	10	0.42%	-	-	-
Solvay Advanced Polymers, LLC				400	5	0.64%
Clarus Corporation				300	6	0.48%
L3 Communications	-		-	210	8	0.34%
Champion Computers	-		-	210	9	0.34%
Continental Plastics	-		-	205	10	0.33%
All other employers	71,347		85.08%	54,698		88.09%
Total	83,856		100.00%	62,092		100.00%

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

FORSYTH COUNTY, GEORGIA

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

	Full-time Equivalent Employees as of December 31									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General Government (1)	130	133	139	163	183	204	202	173	168	170
Judicial	74	86	89	87	93	103	106	108	108	119
Public Health and Welfare	9	10	10	13	21	22	25	23	25	27
Public Safety										
Police	223	230	261	281	313	349	381	367	366	367
Officers	223	230	261	281	313	349	381	367	289	285
Civilians	23	30	30	31	42	43	54	57	77	82
Fire	93	100	111	124	140	154	153	140	148	148
Firefighters and officers	93	100	111	124	140	154	153	140	140	140
Civilians	6	6	6	7	7	8	9	9	8	8
E-911 and Coroners Office	26	27	30	31	35	37	42	41	38	37
Public Works	77	75	81	80	84	83	87	80	77	77
Recreation and Culture	49	50	52	56	59	65	64	60	59	60
Housing and Development	43	42	46	53	55	67	65	38	34	35
Solid Waste	8	8	8	7	8	10	9	9	9	9
Water & Sewer	62	61	71	70	74	84	83	74	73	71
Total	794	822	898	965	1,065	1,178	1,217	1,113	1,105	1,120

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sheriff										
Physical arrests	4,140	4,367	4,580	4,556	5,961	6,202	6,251	6,163	5,337	5,032
Traffic violations	11,420	14,522	16,466	16,475	19,363	30,608	36,412	37,305	39,791	30,024
Fire										
Number of calls answered	7,174	7,859	8,431	9,313	9,761	10,530	11,075	10,934	11,530	11,566
Inspections	3,496	3,500	3,059	2,619	5,429	4,959	3,948	2,707	3,556	3,897
Highways and streets										
Street resurfacing (miles)	41	44	41	63	52	57	64	69	80	60
Potholes repaired	645	742	394	429	383	357	420	503	502	563
Sanitation										
Refuse collected (tons/day)	13	7	7	7	7	6	6	6	6	6
Recyclables collected (tons/day)	3	3	3	4	4	4	6	6	5	6
Water										
New connections	1,516	2,157	2,168	3,098	3,059	2,570	630	591	894	1,043
Water mains breaks	43	41	40	58	63	66	66	54	52	72
Average daily consumption (thousands of gallons)	9,260	8,490	8,560	8,780	10,883	10,755	9,197	9,998	11,650	12,160
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,700	1,900	2,000	2,522	3,422	3,461	3,982	3,805	4,124	3,900

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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Sheriff:										
Precincts	2	2	2	2	2	2	2	2	2	2
Number of vehicles	165	165	196	212	210	247	292	318	317	338
Fire:										
Stations	15	15	15	15	15	15	15	13	13	13
Number of vehicles	58	58	59	59	62	64	66	66	67	63
Highways and streets										
Streets (miles)	780	780	907	1,200	1,882	1,104	1,143	1,145	1,095	1,099
Traffic signals	4	2	5	6	6	49	54	61	65	71
Culture and recreation										
Parks acreage	340	1,140	1,334	1,334	1,603	1,642	1,642	2,500	2,600	3,250
Parks	9	11	11	13	46	16	16	17	18	18
Baseball/softball fields	50	44	44	44	47	47	47	48	52	52
Tennis courts	26	22	26	26	26	24	24	24	36	36
Soccer fields	11	11	12	12	12	12	12	12	18	24
Football fields	4	4	5	5	5	5	5	5	5	5
Playgrounds	9	9	9	9	12	12	12	12	14	14
Community centers	4	4	5	6	6	6	6	6	6	6
Water										
Water mains (miles)	719	747	785	833	877	912	924	932	939	949
Fire hydrants	5,059	5,121	5,179	5,389	5,754	6,100	6,215	6,230	6,413	6,450
Maximum daily capacity (thousands of gallons)	-	-	-	-	-	-	-			
Sewer										
Sanitary sewers (miles)	214	239	270	346	402	454	475	481	483	509

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)
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
2011	12.16	21.05	47,111	19,686

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

(2) Number at year end.

COMPLIANCE SECTION

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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 21, 2012. Our report includes reference that the County implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* effective January 1, 2011. Our report also 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 on 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

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct 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 2011-1 through 2011-4, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of the County in a separate letter dated June 21, 2012.

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 21, 2012

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, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in item 2011-5 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding allowable costs that are applicable to its Formula Grants for Other Than Urbanized Areas program (CFDA #20.509). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2011.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-5 to be a material weakness.

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

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 21, 2012

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

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	FY2010BPV	$ 5,241
			5,241
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-1432	9,482
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2241	5,184
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-068	34,612
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-072	21,008
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-074	22,092
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-075	16,573
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-081	383
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-302	9,183
Total Justice Assistance Grant Cluster			118,517
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0308	25,057
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C09-8-181	31,981
VOCA Victims Assistance Grant (District Attorney)	16.575	C10-8-078	44,404
VOCA Victims Assistance Grant (District Attorney)	16.575	C11-8-055	18,667
VOCA Victims Assistance Grant (Sheriff)	16.575	C11-8-056	6,341
			101,393
Passed through the Council of Juvenile Court Judges:			
Purchase of Service, Juvenile Offenders Program	16.540	JB-08B-ST-0002 & 004	10,335
Purchase of Service, Juvenile Offenders Program	16.540	JB-09ST-0004	2,286
			12,621
Total U.S. Department of Justice			262,829
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Atlanta Regional Commission:			
Highway Planning and Construction	20.205	PESP-0008-00(729)	11,193
			11,193
Passed through the Georgia Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	T002912 GA-18-4031	95,325
Formula Grants for Other than Urbanized Areas	20.509	T003810 GA-18-4032	107,655
			202,980
Passed through the Governor's Office of Highway Safety			
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2011-58-00391	31,663
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2012-58-00342	24,359
			56,022
Total U.S. Department of Transportation			270,195
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	20,345
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	134,150
Nutrition Services Incentive	93.053	427-93-07070254-99	19,436
Total Aging Cluster			173,931
Social Services Block Grant	93.667	427-93-07070254-99	42,068
Total U.S. Department of Health and Human Services			215,999

(Continued)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

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 National Recreation and Parks Association			
National Outreach and Communication Program	15.653	RBFF-10-G-214	4,073
Total U.S. Department of the Interior			4,073
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
EMPG	97.042	2011-EP-00-0015	29,522
Homeland Security Citizen Corps Program	97.053	2010-SS-T0-0034	86
Buffer Zone Protection	97.078	2008-BZ-T8-0034	15,463
Total U.S. Department of Homeland Security			45,071
U.S. DEPARTMENT OF DEFENSE			
Passed through Georgia Office of the State Treasurer:			
Flood Control Lands	12.112	2011	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	224,003
Total U.S. Department of Energy			224,003
U.S. ENIVRONMENTAL PROTECTION AGENCY			
Passed through the Georgia Environmental Finance Authority:			
Capitalization Grant for Clean Water State Revolving Funds	66.458	CWSRF 10-005	3,822,169
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DWSRF 10-015	4,253
			3,826,422
Passed through the Georgia Department of Natural Resources:			
319 Non-point Source Pollution Grant	66.460	751-900559	18,967
Total U.S. Environmental Protection Agency			3,845,389
Total Expenditures of Federal Awards			$ 5,043,544

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, 2011

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, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	__X__ yes ____ 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	Qualified for Formula Grants for Other Than Urbanized Areas (CFDA 20.509) Unqualified for other major programs
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	__X__ yes ____ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant
16.803	Edward Byrne Memorial Justice Assistance Grant - ARRA
20.509	Formula Grants for Other Than Urbanized Areas
66.458	Capitalization Grant for Clean Water State Revolving Funds
81.128	Energy Efficiency and Conservation Block Grant (EECBG) - ARRA

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)

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, 2011

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2011-1 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:

- The County was recording the credit balances on consumption as both a credit to the receivable account and as a separate credit liability, thus understating current year revenues. A journal entry of approximately $248,000 was required to remove the credits from the receivable account and report revenues appropriately.
- The unbilled receivables and related earned revenues were not properly reported. An adjustment of approximately $350,000 was required to record the full amount of earned revenues.
- Receivables and notes payable for the Water & Sewerage Authority were adjusted by approximately $1,142,000 to properly accrue a drawdown from the Georgia Environmental Finance Authority for reimbursement of eligible expenses incurred as of December 31, 2011.

Effects: Audit adjustments totaling approximately $1,740,000 were needed to correctly report revenues, receivables and related notes payable.

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)

2011-2 Expenditure Recognition and Reporting of Other Assets

Criteria: Internal controls should be in place to ensure bond refunding transactions are properly recognized and reported in the financial statements.

Condition: Internal controls were not sufficient to detect misstatements in the reporting the County's bond deferred cost assets and related expenses.

Context/Cause: During our testing, audit adjustments were required to properly record bond refunding deferred assets, unamortized premiums and the related amortization expense for the Water & Sewerage Authority.

Effects: Audit adjustments totaling approximately $1,029,000 were needed to correctly report other assets, liabilities and the related expenses.

Recommendation: We recommend the County carefully review all bond refunding calculations to ensure all of the related deferred cost assets, unamortized premiums and related expenses are properly reported 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 other assets are properly reported.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-3 Timely and Accurate Cash Reporting

Criteria: Timely and accurate cash reporting of all funds included in the financial statements of the County is imperative to facilitate informed financial decisions by the County's management and those with oversight over management. Additionally, accounting principles generally accepted in the United States of America (GAAP) require a proper cutoff of cash for reporting in the County's financial statements.

Condition: Internal controls and cash reporting procedures were not sufficient to facilitate the accurate and timely reporting of the County Water and Sewerage Authority's overall cash position and results of operations for several months throughout the year ended December 31, 2011.

Context/Cause: The primary and most significant cash reporting internal control procedure pertains to the cash bank reconciliation process. The County changed their utility billing and accounting software during the 2011 year, and this coupled with some changes of the accounting staff responsibilities caused the County to fall behind as far as twelve months in reconciling the cash positions of the Water & Sewerage Authority. The County's Water & Sewerage Authority cash bank reconciliations for December 2011 were not provided to the auditors until May 2012. The delay in cash reporting procedures caused the County's year-end closing process, and, therefore, the audit, to be delayed.

Effects: The County was unable to report timely, accurate financial information for several months throughout the year.

Recommendation: Proper general ledger and bank reconciliation maintenance for cash is imperative to ensure that the County's financial transactions are reported correctly, and that accurate financial information is provided to management and the Board of Commissioners. Timely bank reconciliation is an important internal control to mitigate the risk of asset misappropriation. The County should take the necessary steps to ensure that bank reconciliations are properly reconciled to the general ledger balances, on a monthly basis, and that cash transactions are timely posted to the County's general ledger. Additionally, proper review and approval of each month's bank reconciliations should be conducted by independent personnel with adequate skill and knowledge to ensure accuracy.

Auditee's Response: We concur with the finding. The county filled an additional key staff position at the end of 2011. We will take necessary steps in the future to ensure that all bank reconciliations are prepared timely and correctly, and that all financial data and information is properly recorded in the general ledger.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-4 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:

- During documentation of the cash procedures, we noted the individuals who investigate discrepancies or issues related to cash can also edit the transactional data and/or approved edits of transactional data.
- During documentation of the cash procedures, we noted the individuals who review, authorize or sign checks can also 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.

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 III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2011-5 Allowable Costs –

Program: U.S. Department of Transportation (20.509)
CFDA Program Title: Formula Grants for Other than Urbanized Areas
Grant Number: T002912 GA-18-4031 and T003810 GA-18-4032

Criteria: OMB A-87 cost principles for state, local and Indian tribal governments require documentation for personnel costs charged to Federal programs to meet the following standards: (a) is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities; (2) follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and (3) is determined and supported as provided in subsection h. Subsection h states: "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee" and "where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

Condition: During our testing of the personnel costs charged to this grant, we noted the County did not have proper procedures in place to support these charges through periodic certifications, as required by OMB A-87 Attachment B, section 8.

Context/Cause: The County did not have adequate controls in place to ensure the required documentation was being obtained and maintained in the files.

Effects: These costs could potentially be considered unallowable.

Questioned Costs: We identified the full amount of wages and benefits as questioned costs, which amounted to $158,119 as of December 31, 2011.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-5 Allowable Costs (Continued) –

Recommendation: The County should ensure all required documentation and support is obtained and maintained in order to support and validate charges made to the grant.

Auditee's Response: We concur. Currently the Forsyth County Personnel Services Department prepares individual grant funded employee payroll reports for review. Grant program supervisors certify all reimbursement requests to granting agencies. The County will comply with the recommendation by initiating a process through which supervisors, the Finance Department, and partially grant funded employees certify and retain monthly payroll reports to assure compliance with grant requirements.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

The prior audit included no findings relative to federal awards.