Prepared by the **FORSYTH**COUNTY Finance Department



2012 Comprehensive Annual Financial Report

For the year ended December 31, 2012

2012 Comprehensive Annual Financial Report



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

For the year ended December 31, 2012

INTRODUCTORY SECTION

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Table of Contents	i-iii
Letter of Transmittal	iv-viii
Certificate of Achievement for Excellence in Financial Reporting	ix
List of Officials	x
Organizational Chart	xi
FINANCIAL SECTION	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Statement of Fiduciary Net Position	25
Statement of Changes in Net Position – Pension Trust Fund	26
Notes to Financial Statements	27-70
Required Supplementary Information:	
General Fund – Budgetary Comparison Schedule – GAAP Basis	71 and 72
Fire District Fund – Budgetary Comparison Schedule – GAAP Basis	73
Schedules of Funding Progress	74
Schedules of Employer Contributions	75
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	77
Victims Rights & Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	78

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

FINANCIAL SECTION (Continued) **Page**

Combining and Individual Fund Statements and Schedules (Continued):

Drug Abuse Treatment & Education – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 79

Emergency 911 Telephone System Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 80

Sheriff's Law Enforcement Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 81

District Attorney Seizure Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 82

Law Library Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 83

Juvenile Court Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 84

DUI Court Supervisor Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 85

Hotel/Motel Tax Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 86

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 87

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds 88

Combining Statement of Net Position – Internal Service Funds 89

Combining Statement of Changes in Revenues, Expenses and Changes in Net Position – Internal Service Funds 90

Combining Statement of Cash Flows – Internal Service Funds 91

Combining Statement of Assets and Liabilities – Agency Funds 91

Statement of Changes in Assets and Liabilities – Agency Funds ..... 93 and 94

STATISTICAL SECTION

Financial Trends:

Net Position by Component 95

Changes in Net Position ..... 96 and 97

Fund Balances of Governmental Funds ..... 98 and 99

Changes in Fund Balances of Governmental Funds ..... 100 and 101

General Governmental Tax Revenues by Source 102

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

STATISTICAL SECTION (Continued)

Revenue Capacity:

Assessed Value and Estimated Actual Value - All Taxable Property 103
Direct and Overlapping Property Tax Rates 104
Principal Property Taxpayers 105
Property Tax Levies and Collections 106
Top 10 Water Customers 107
Top 10 Sewer Customers 108
Water System Rates, Fees and Charges 109

Debt Capacity:

Ratios of Outstanding Debt by Type 110
Ratios of General Obligation Debt Outstanding 111
Direct and Overlapping Governmental Activities Debt 112
Legal Debt Margin Information 113
Pledged Revenue Coverage 114

Demographic and Economic Information:

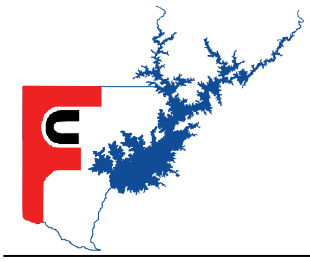
Demographic and Economic Statistics 115
Principal Employers - Current and Nine Years Ago 116

Operating Information:

Full-Time Equivalent County Government Employees by Function 117
Operating Indicators by Function 118
Capital Asset Statistics by Function 119
Water System Statistics 120

SINGLE AUDIT SECTION

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* 121-123
Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by OMB Circular A-133 124-126
Schedule of Expenditures of Federal Awards ..... 127 and 128
Note to Schedule of Expenditures of Federal Awards 129
Schedule of Findings and Questioned Costs 130-134
Schedule of Prior Audit Findings 135



Forsyth County Board of Commissioners

RALPH J. AMOS
CHAIRMAN

JIM BOFF
VICE CHAIRMAN

BRIAN R. TAM
SECRETARY

CINDY J. MILLS
MEMBER

TODD LEVENT
MEMBER

DOUG DERRER
COUNTY MANAGER

TIM R. MERRITT
DEPUTY COUNTY MANAGER

June 18, 2013

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, 2012.

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, 2012, 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 unmodified opinion that Forsyth County, Georgia's financial statements for the fiscal year ended December 31, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

The governing authority consists of a five-member Board of Commissioners. The Board of Commissioners is elected by voters each living within specific districts to serve four-year terms. Each year in January, the five members elect one of their own to serve as chairman for the coming year. Elections for the Board of Commissioners are staggered, so as to provide some continuity on the board. A County Manager is appointed by and responsible to the Board of Commissioners to direct the daily operations of Forsyth County government.

Services provided to approximately 187,928 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 effect 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 87,768 within its boundaries with approximately 6,299 licensed businesses. Existing companies are continuing to expand within our community, serving as our largest source for new jobs. As of December 2012, the county's unemployment rate was 6.5%, which is lower than the State of Georgia (8.7%) and the United States (7.8%).

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.
- The new University of North Georgia Cumming campus, which opened in fall 2012, is meeting the need for higher education in the northeast Georgia region. Located off Georgia Highway 400 at Pilgrim Mill Road [exit 16], the new instructional center offers a range of two and four year undergraduate programs, graduate programs and professional development opportunities.
- The Forsyth County School system, serving over 39,000 students, is the ninth largest school system in Georgia, operating 36 schools within the county. The public school system is Forsyth County's largest employer with over 4,200 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 provide funding for the new jail and courthouse, along with other projects. In October 2012, the Board of Commissioners approved the conceptual design for this $100 million project. Demolition of the downtown Cumming new courthouse site was completed in early 2013 with opening of the jail, courthouse, and parking decks expected by early 2015.
- Work was completed in July 2012 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 brings the rated capacity for treatment of raw water up to 28 mgd.
- In October 2012, the City of Cumming and Forsyth County agreed to extend the water supply contract supplying both raw and finished water to the county from the city. The new agreement increases the amount of raw water available to the county for processing at its water treatment plant.

Improved Service Delivery

- In November 2012 new Fire Station #4 opened in the Ducktown area of western Forsyth County. Construction of the dual two-bay station was funded by SPLOST VI and Impact Fees.
- The Fire Department welcomed into its fleet in July a new 100-foot aerial fire apparatus, often referred to as a ladder truck, and a new engine. New Ladder Truck 14, housed at Fire Station 14 in south Forsyth County, was funded by SPLOST VI. New Engine 7, housed at Fire Station 7 in north Forsyth County, was funded by the Fire Department budget.
- The Planning and Community Development Department reviewed its processes in 2012 and identified potential changes to increase efficiency. These included a revised process for Lot Grading Plans, in November. Another improvement measure, allowing for the digital submission of plans, was approved by the Board in 2012 and implemented in 2013.
- To increase the coverage area when under a tornado warning, the county added five additional outdoor severe weather sirens, bringing the total to 17 sirens throughout the county in 2012.

Parks, Recreation and Green Space Bond Dollars at Work

- Two new recreation centers opened in February 2012 at the Old Atlanta and Fowler park sites. These large multi-purpose buildings were built from Parks bond and Impact Fee funds. Each 40,000 square foot building includes two basketball gymnasiums, a walking track, cardio/weight room, a community room, and various class studios. The public can choose from a variety of athletic programs, summer camps, recreational activities, and special interest classes.
- In 2012 the construction of trails, pavilions, and playgrounds provides public access to four green space passive use parks. These parks are Caney Creek Preserve, with 63 acres, Haw Creek Park, 85 acres, Old Atlanta Park, 39 acres, and Chattahoochee Pointe with 2 miles of walking trails and a canoe launch. These parks were made possible by a combination of the Parks, Recreation and Green Space Bond, SPLOST VI and Impact Fees.

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 (47% of total 2013 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, 2011. This was the twelfth 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/CFO

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, 2011

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.



Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

Officials of FORSYTH COUNTY

2012 BOARD OF COMMISSIONERS



R. J. (Pete) Amos
Member
District 1



Brian R. Tam
Member
District 2



Todd Levent
Secretary
District 3



Patrick B. Bell
Vice Chairman
District 4



Jim Boff
Chairman
District 5

ADMINISTRATION



Doug Derrer
County Manager



Tim Merritt
Deputy County Manager

FINANCE



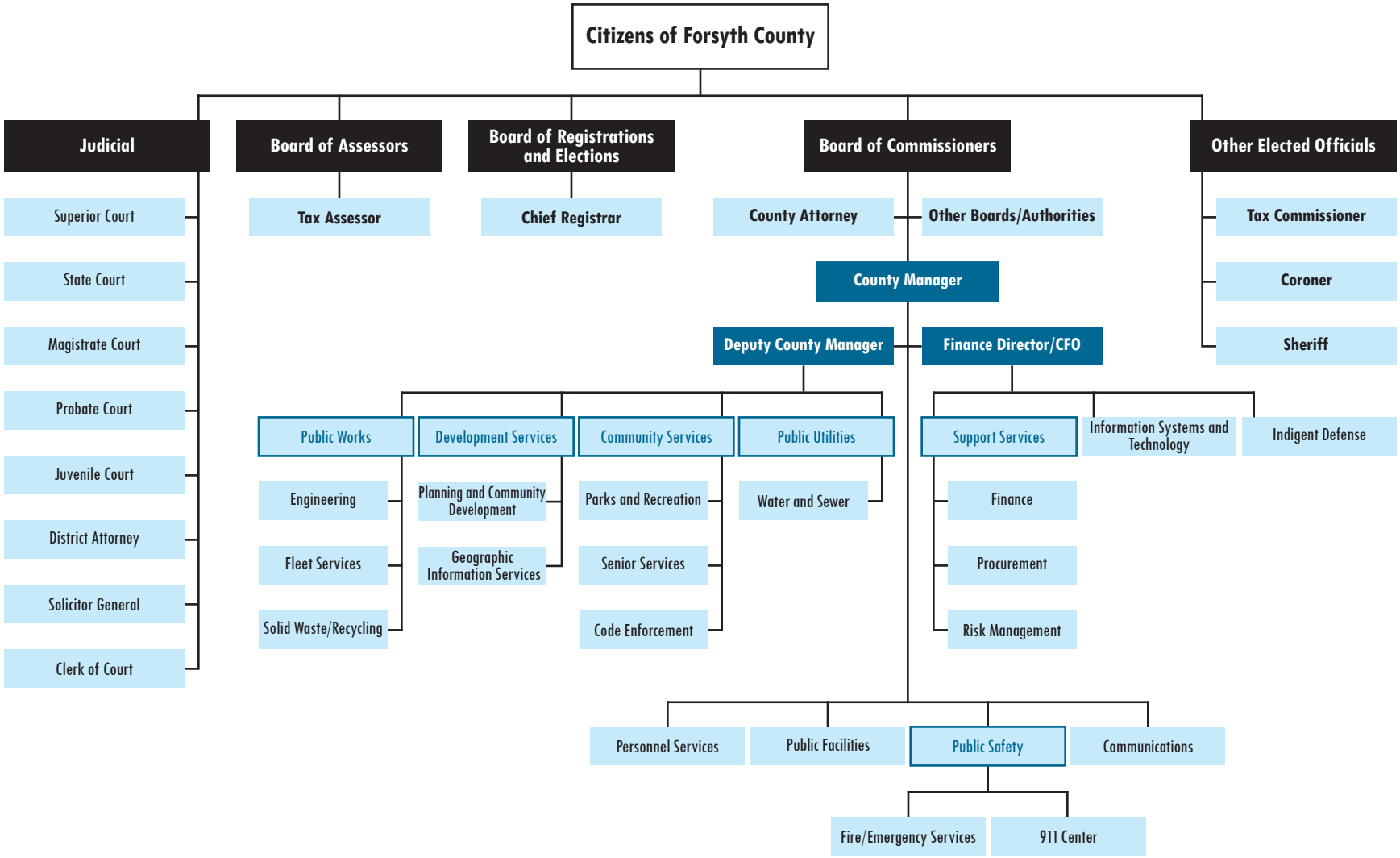
David Gruen
Finance Director/CFO

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

Michael Bohn	Senior Services
Danny Bowman	Fire & Emergency Mgmt
Connie Brooker	Indigent Defense
Tom Brown	Planning & Community Development
Pat Carson	Personnel Services
Charity Clark	Risk Management
John Cunard	Engineering
Jodi Gardner	Communications
Pat Giordano	E-911
Wally Gramling	Information Systems & Technology
Avery Gravitt	Fleet Maintenance
John Kilgore	GIS
Jerry Kinsey	Parks & Recreation
Mary Kirkpatrick	Board of Assessors
Donna Kukarola	Procurement
Barbara Luth	Voter Registration & Elections
Jon McDaniel	Library
Tim Perkins	Water & Sewer
David Thornton	Public Facilities
Tammy Wright	Solid Waste and Recycling
Steve Zaring	Code Enforcement



FORSYTHCOUNTY Organizational Chart

FINANCIAL SECTION

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Forsyth County, Georgia** (the "County"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Forsyth County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forsyth County Health Department, which represents 21 percent, 21 percent, and 20 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Forsyth County Health Department, is based solely 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 16, Forsyth County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 16), the budgetary comparison information (on pages 71 through 73), and schedules of funding progress and schedule of employer contributions (on pages 74 and 75) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013, 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* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

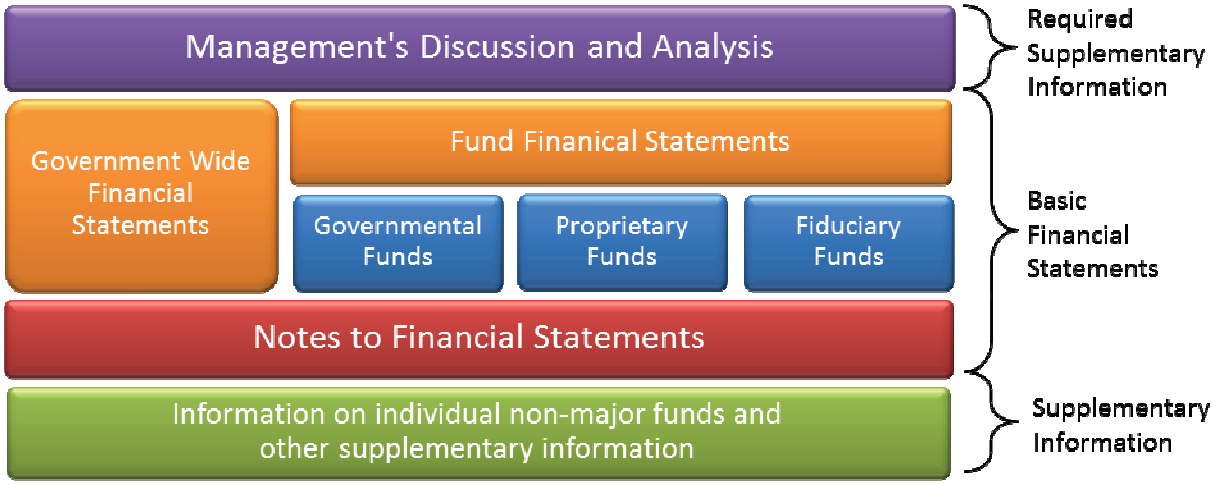
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the transmittal letter on page iv and the County's financial statements, which begin on page 1.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets exceed liabilities by $1.22 billion (net position) at December 31, 2012. Of this amount $882.59 million is governmental activities and $337.19 million is business-type activities.
- The combined revenue total for the County is $217.5 million, a 9.40% decrease from 2011. Of the combined total governmental activities is $170 million and business-type activities is $47.05 million.
- The combined expense total for the County is $174.78 million, an 11.30% increase from 2011. Of the combined total governmental activities is at $139.86 million and business-type activities is $34.92 million.
- At December 31, 2012, the County's governmental funds reported combined ending fund balance of $145.89 million, an increase of $10.13 million (7.46%) from the 2011 fund balance. The unassigned fund balance for various governmental funds is $44.403 million.
- The County's total debt decreased by $16.38 million (5.32%) from fiscal year 2011, primarily due to the County's third 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 17 and 18, provide a broad overview of Forsyth County finances in a manner similar to that of private-sector businesses. The statements include:

- *Statement of net position* presents the County's assets and liabilities, with the difference between the two reported as net position. Over time, the change in net position 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, 2012, the County maintains sixteen 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 eleven 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 19 through 21 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. For 2012, the County used internal service funds to account for risk management, workers' compensation, administrative services, information technology, telecommunications, GIS systems, fleet maintenance, and building occupancy. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 22 through 24 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 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 15-52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions. In addition, the combining and individual fund statements and schedules can be found on pages 53-80 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets. As noted earlier, net position 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 $1.22 billion at the close of the most recent fiscal year. This is an increase of $43 million or 3.65% from fiscal year 2011.

FORSYTH COUNTY, GEORGIA'S NET POSITION

December 31, 2012

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
ASSETS & DEFERRED OUTLOWS OF RESOURCES						
Current and other assets and deferred outflows of resources	$ 230,499	$ 221,757	$ 77,290	$ 80,479	$ 307,789	$ 302,236
Capital assets (net of depreciation)	858,528	847,140	448,409	433,317	1,306,937	1,280,457
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,089,027	1,068,897	525,699	513,796	1,614,726	1,582,693
LIABILITIES & DEFERRED INFLOWS OF RESOURCES						
Other liabilities and deferred inflow of resources	90,811	92,501	31,447	31,041	122,258	123,542
Long-term liabilities outstanding	115,623	124,593	161,430	157,677	277,053	282,270
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	206,434	217,094	192,877	188,718	399,311	405,812
NET POSITION						
Net investment in capital assets	754,041	731,024	289,344	282,507	1,043,385	1,013,531
Restricted	80,730	85,099	4,259	4,207	84,989	89,306
Unrestricted	47,822	35,680	43,590	38,364	91,412	74,044
TOTAL NET POSITION	$ 882,593	$ 851,803	$ 337,193	$ 325,078	$ 1,219,786	$ 1,176,881

Source: Statement of Net Position

The largest component of the County's net position, $1.04 billion (85.54%) at December 31, 2012, 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 position consists of restricted net position, $84.9 million (6.9%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $91.4 million (7.56%), 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 position in governmental activities increased by $30.8 million (3.61%), due in part to increases in sales taxes and Insurance Premium Tax revenues, and generally by keeping the total expenses below the level of revenue collections. Net position in business-type activities increased by $12.1 million (3.73%) The county's overall net position increased indicating that the County's financial position has remained constant since 2011.

Changes in Net Assets. Governmental and business-type activities increased the County's net position before transfers by $42.91 million by the end December 31, 2012.

The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2011 and 2012.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET ASSETS

December 31, 2012

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues:						
Charges for services	$ 25,633	$ 22,520	$ 33,982	$ 33,982	$ 59,615	$ 56,502
Operating grants and contributions	1,343	1,294	-	-	1,343	1,294
Capital grants and contributions	5,365	35,488	13,088	9,695	18,453	45,183
General Revenues:						
Property taxes	67,763	70,005	-	-	67,763	70,005
Sales taxes	57,422	54,243	-	-	57,422	54,243
Insurance premium tax	7,600	7,114	-	-	7,600	7,114
Other taxes	3,489	3,154	-	-	3,489	3,154
Unrestricted investment earnings	749	980	231	497	980	1,477
Intervoernmental revenue, not restricted for a specific programs	-	-	239	-	239	-
Other	784	1,332	-	-	784	1,332
TOTAL REVENUES	170,148	196,130	47,540	44,174	217,688	240,304
EXPENSES						
General Government	13,558	12,658	-	-	13,558	12,658
Judicial	12,536	11,276	-	-	12,536	11,276
Public Safety	63,465	59,341	-	-	63,465	59,341
Public Works	21,510	15,133	-	-	21,510	15,133
Health and Welfare	3,131	3,108	-	-	3,131	3,108
Culture and Recreation	15,332	12,877	-	-	15,332	12,877
Housing and Development	4,466	4,197	-	-	4,466	4,197
Interest	5,860	6,207	-	-	5,860	6,207
Solid Waste Disposal Facility	-	-	705	789	705	789
Water and Sewer	-	-	34,220	31,457	34,220	31,457
TOTAL EXPENSES	139,858	124,797	34,925	32,246	174,783	157,043
Increase in net position before transfers	30,290	71,333	12,615	11,928	42,905	83,261
Transfers	500	-	(500)	-	-	-
Increase in net position	30,790	71,333	12,115	11,928	42,905	83,261
Net assets, beginning of year	851,803	780,470	325,078	313,150	1,176,881	1,093,620
Net position, end of year	$ 882,593	$ 851,803	$ 337,193	$ 325,078	$ 1,219,786	$ 1,176,881

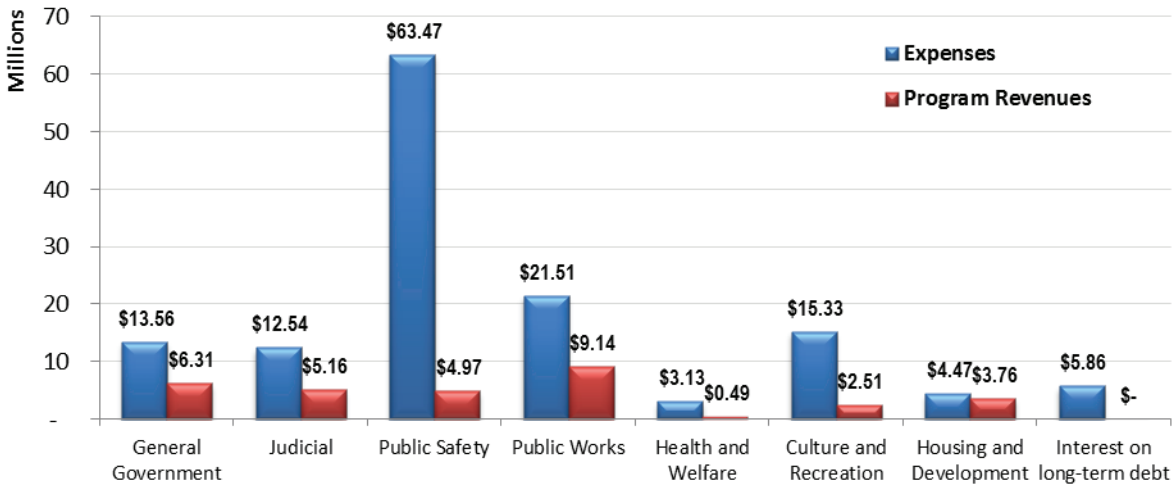
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County's net position by $30.8 million thereby accounting for 71.76% of the total growth in net position. Key elements of this increase are as follows:

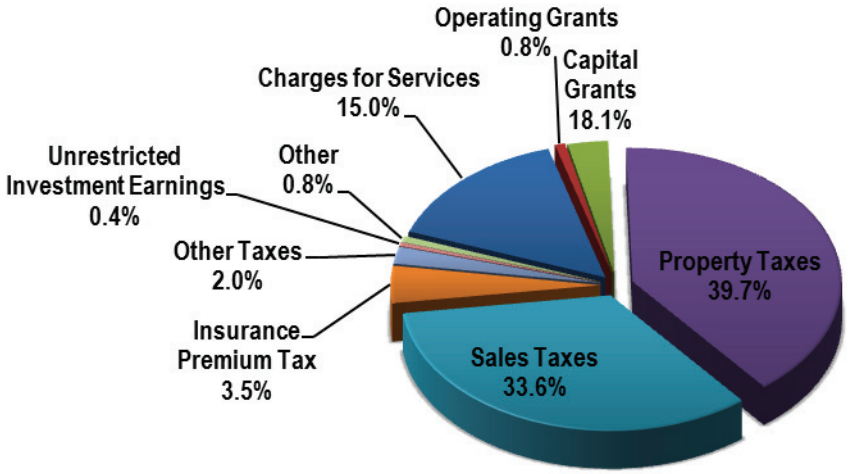
- The County's governmental activities relied on the following revenue sources in 2012: $25.63 million in charges for services, $6.71 million for grants and contributions, $136.27 million in taxes, $0.7 million in investment earning and $.7 million in other revenue. Total program and general revenue for 2012 is $170.1 million.
- Total revenues for governmental activities decreased by $26 million or 13.27% from fiscal year 2011. Property taxes totaling $67.76 million is the largest revenue source for the county. Operating grants and contributions increased slightly by $49 thousand, while capital grants and contributions decreased by $30.12 million due to lower donations from the State of Georgia, in the form of donated infrastructure. Sales tax revenues also increased by $3.18 million due to increase in retail activity during 2012.
- Expenses for 2012 increased by $15.06 million or 12.07% from 2011. The largest increase was $6.38 million in public works due mostly to the expensing of road resurfacing.

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

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITES

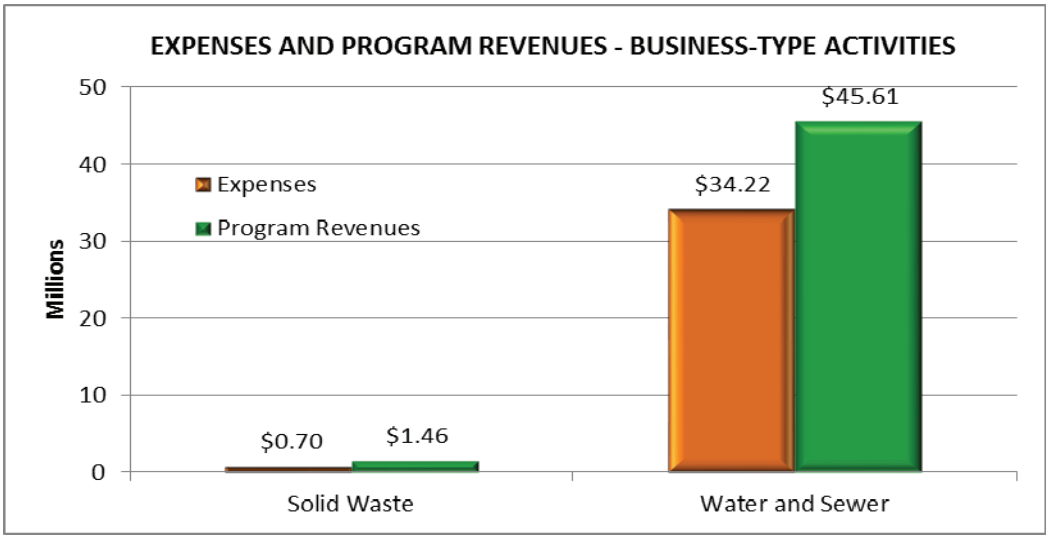


REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES

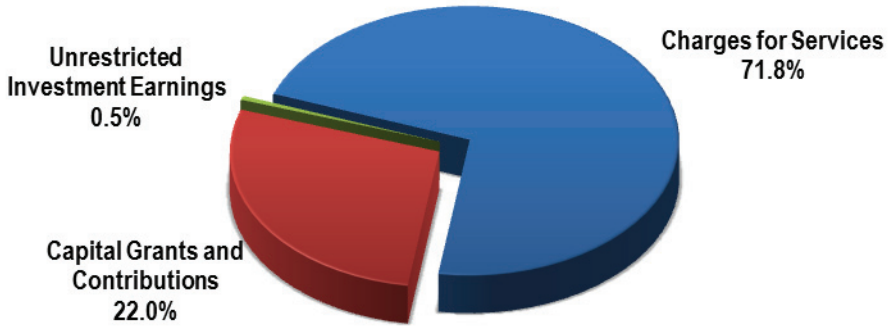


Business-type activities. Business-type activities increased the County's net position by $12.12 million, accounting for 28.24% of the total growth in net position. A key element of this increase is Water and Sewer Authority program revenues increase of $3.39 million (7.76%), due to an increase in 2012 capital contributions.

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



REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

GOVERNMENTAL FUNDS
CHANGES TO FUND BALANCE
($ in thousands)

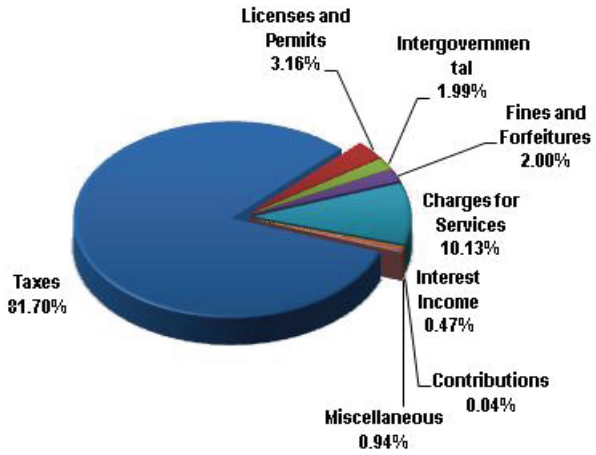
	2012	2011	Inc/Dec	% Inc/Dec
General Fund	$ 44,293	$ 37,896	$ 6,396	16.88%
Fire	7,091	5,851	1,240	21.20%
Debt	30,118	29,941	178	0.59%
SPLOST	35,945	37,896	(1,951)	-5.15%
Capital Projects	20,707	15,845	4,861	30.68%
Impact	5,776	6,326	(550)	-8.69%
Other Governmental Funds	1,959	2,000	(41)	-2.04%
Fund Balance	**$ 145,88**	**$ 135,75**	**$ 10,13**	**7.46%**

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

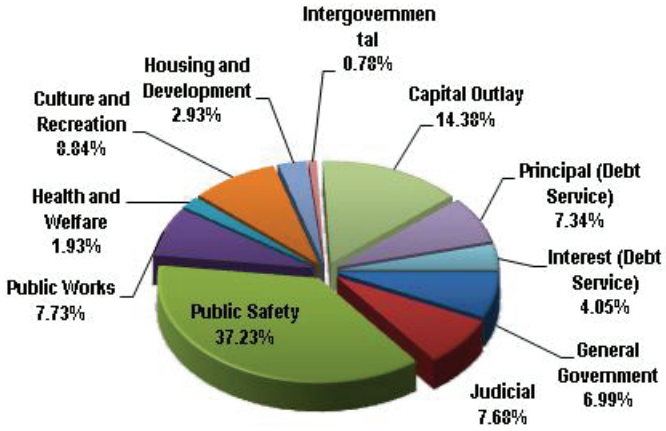
At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $145.89 million, an increase of $10.13 million in comparison with the fund balance for 2011. Approximately 28.04% of this total amount, $40.903 million, constitutes unassigned which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed 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 $38.98 million, which represents 88.00% of total general fund balance. The fund balance increased by $6.40 million during the current fiscal year. This increase is partly due to increased sales taxes and capital grants and contributions.

REVENUES BY FUNCTION - GOVERNMENTAL FUNDS



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund increased by $1.24 million during the current fiscal year. Revenues decreased by $511 thousand from 2011. This decrease is due to a Fire District decrease of 2.2% in the tax digest for 2012.

The fund balance of the County's debt service fund increased by $0.18 million during the current fiscal year. This increase is due to refunding a portion of the series 2004 General Obligation Bonds. The debt service fund has an ending fund balance of $30.12 million to be used for SPLOST bond payments, principal and interest payments for general obligation debt.

The fund balance of the County's SPLOST fund decreased by $1.95 million during the current fiscal year. This is primarily due to an increase of $3.75 million in capital expenditures.

The fund balance of the County's capital projects fund increased by $4.86 million during the current fiscal year. The capital projects fund has an ending fund balance of $20.71 million. The increase is due to $7.35 million in transfers from the General Fund in 2012.

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 $32.52 million, an increase of $0.34 million from 2011. This is primarily due to an increase in total sewer revenues. The department's water customer count grew by 1,634, or 3.47%, new connections to a year-end total of 48,745 and sewer customer count increased by 1,390, or 7.06%, to a year-end total of 21,076. Total operating expenses were $30.15 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2012 is $1.307 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide additions in 2012 are $26.49 million with $11.39 million in government-type activities and $15.10 million in business-type activities. Net investment in capital assets is $1.307 million with $858.53 million for governmental activities and $448.41 million for business-type activities. This is a 2.06% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
Land and improvements	$ 396,763	$ 392,855	$ 28,985	$ 28,984	$ 425,748	$ 421,839
Infrastructure land improvements	158,150	153,464	-	-	158,150	153,464
Construction in progress	41,958	47,119	9,900	39,058	51,858	86,177
Buildings and improvements	90,416	85,168	15,868	16,235	106,284	101,403
Machinery and equipment	13,496	13,707	3,377	3,396	16,873	17,103
Vehicle	6,843	6,422	312	285	7,155	6,707
Sewer Capacity	-	-	20,317	9,397	20,317	9,397
Infrastructure	150,902	148,405	369,650	335,962	520,552	484,367
Total	**$ 858,528**	**$ 847,140**	**$ 448,409**	**$ 433,317**	**$ 1,306,937**	**$ 1,280,457**

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

- July 2012, brought on line the Water Treatment Plant Expansion at the Antioch Road site, bringing the daily water treatment capacity up to 28 mgd.
- Fire Station #4 opened November 2012. The new two double-bay station serves the area of west Forsyth County from its Ducktown location. This project was funded with both SPLOST and Impact Fees.
- Two new recreation centers opened in February 2012 at the Old Atlanta and Fowler park sites. These large multi-purpose buildings were built from SPLOST VI and impact fee funds.
- Park improvements opened public access to four green space sites in 2012 at the Haw Creek, Harrison, Chattahoochee Pte., and Old Atlanta locations. Park bond, SPLOST VI, and impact fee funds were used.

Additional information on the County's capital assets can be found in Note 6, on pages 44 through 47.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $274.34 million. Of this amount $117.56 million consists of general obligation bonds backed by the full faith and credit of the government and $156.78 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $16.38 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 49 through 57.

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 71 and 72.

GENERAL FUND

for the year ended December 31, 2012

	Budgeted			Variance
	Origina	Fina	Actua	Final
General Government	$ 12,404,752	$ 12,414,752	$ 11,067,338	$ 1,347,414
Judicia	11,682,150	11,807,714	11,715,010	92,704
Public	38,677,233	39,734,706	39,392,940	341,766
Public	6,418,241	8,306,412	8,084,273	222,139
Health and	3,221,350	3,257,241	3,093,816	163,425
Culture and Recreation	13,112,038	13,120,177	12,978,050	142,127
Housing and Development	4,484,800	4,508,095	4,404,405	103,690
Total	**$ 90,000,564** [1]	**$ 93,149,097**	**$ 90,735,832**	**$ 2,413,265**

(1) The adopted General Fund expenditure budget included transfers to other funds ($1,818,300) and reserve for encumbrances ($630,000) 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 $90.89 million in the original budget increased to $93.68 million at year end, due to an increase in intergovernmental revenues by $1.67 million. Total revenues ended at $101.48 million, $7.802 million above the final budget. The original adopted expenditure budget of $90.00 million plus $1.0 million in other financing sources and uses to assist funding between county funds was amended to $93.1 million.

However, by year end actual expenditures for the general fund were $90.74 million, $2.4 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $1.347 million under final budget. The County continues to monitor the expenditures to ensure departments operated within the constraints of their budgets. Additionally certain unusual costs such as the use of part-time employees for election polls were approximately $250,000 under budget, and recording fees for FIFAs did not occur at the rate anticipated and expenditures were approximately $200,000 under final budget.
- Public Safety $341,766 under final budget, which was primarily a result of the decrease in the need to house inmates in neighboring county facilities. The costs for housing inmates outside the county were approximately $300,000 under final budget.
- Public Works $222,139 under final budget, which was primarily a result of continued decrease in outsourced engineering services for the evaluation of the County's Stormwater division.

Forsyth County's general fund 2012 final budget is $93.149 million, an increase of 7.41% from the 2011 budget.

ECONOMIC FACTORS AND THE 2013 BUDGET

Forsyth County's 2013 budget is a reflection of the financial position of the County in 2012. During 2012, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 6.5%, down 0.8% from 2011. This compares favorably to the State of Georgia's unemployment rate at 8.7%, and the national unemployment rate of 7.8% at the end of 2012.
- LOST and SPLOST revenues increased by $3.2 million, a 6.0% increase from fiscal year 2011. An increase is also projected for the 2013 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2012 millage rate for Maintenance and Operations, Fire and Debt Service remained at 7.656 mills. The 2013 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 were set at 4%, 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 2013.

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 POSITION
DECEMBER 31, 2012

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Library System
Cash and cash equivalents	$ 142,552,205	$ 28,442,116	$ 170,994,321	$ 632,255	$ 2,072,211
Investments	38,682,011	32,983,710	71,665,721	500,930	-
Receivables (net of allowance for uncollectibles)	1,566,937	4,022,336	5,589,273	84,105	39,198
Taxes receivable	3,188,252	-	3,188,252	-	-
Intergovernmental receivables	7,130,466	1,455,440	8,585,906	-	74,684
Prepaid items	755,631	10,353	765,984	-	93,889
Inventories	995,647	1,036,389	2,032,036	-	-
Internal balances	(709,570)	709,570	-	-	-
Other assets	2,652,221	-	2,652,221	-	-
Net pension asset	2,813,764	-	2,813,764	-	-
Restricted assets:					
Restricted cash and cash equivalents	12,324,159	4,259,469	16,583,628	-	-
Investments	15,997,068	-	15,997,068	-	-
Capital assets, nondepreciable	596,870,793	46,231,282	643,102,075	-	399,243
Capital assets, depreciable, net of accumulated depreciation	261,657,374	402,177,514	663,834,888	4,182	1,850,599
Total assets	1,086,476,958	521,328,179	1,607,805,137	1,221,472	4,529,824
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	2,550,383	4,371,081	6,921,464	-	-
Total deferred outflows of resources	2,550,383	4,371,081	6,921,464	-	-
LIABILITIES					
Accounts payable	7,504,327	1,664,212	9,168,539	7,358	155,626
Accrued liabilities	5,590,017	2,109,337	7,699,354	-	80,526
Customer deposits payable	-	2,805,318	2,805,318	-	-
Unearned revenue	-	16,261,004	16,261,004	-	-
Noncurrent liabilities due within one year					
Capital lease payable	34,383	-	34,383	-	1,329
Compensated absences payable	4,368,061	349,912	4,717,973	57,000	183,766
Note payable	-	5,687	5,687		
Claims payable	1,303,765	-	1,303,765	-	-
Landfill closure and postclosure	-	105,451	105,451	-	-
Bonds payable	12,655,000	3,775,000	16,430,000	-	-
Noncurrent liabilities due in more than one year					
Capital lease payable	192,481	-	192,481	-	1,603
Compensated absences payable	1,092,015	87,478	1,179,493	55,398	19,217
Note payable	-	6,650,572	6,650,572	-	-
Claims payable	926,235	-	926,235	-	-
Net OPEB obligation	730,535	-	730,535	-	-
Landfill closure and postclosure	-	1,687,222	1,687,222	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-
Bonds payable	104,905,076	153,004,617	257,909,693	-	-
Total liabilities	147,078,895	188,505,810	335,584,705	119,756	442,067
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - property taxes	56,703,165	-	56,703,165	-	-
Deferred revenue - effective hedge	2,652,221	-	2,652,221	-	-
Total deferred inflows of resources	59,355,386	-	59,355,386	-	-
NET POSITION					
Net investment in capital assets	754,040,842	289,344,001	1,043,384,843	4,182	2,246,910
Restricted for:					
Judicial services	249,263	-	249,263	-	-
Public safety services	8,240,166	-	8,240,166	-	-
Health and welfare	-	-	-	485,100	-
Grant projects	12,266	-	12,266	-	-
Debt service	30,183,209	4,259,469	34,442,678	-	-
Capital projects	41,721,015	-	41,721,015	-	669,290
Jail construction and equipping	323,826	-	323,826	-	-
Unrestricted	47,822,473	43,589,980	91,412,453	612,434	1,171,557
Total net position	$ 882,593,060	$ 337,193,450	$ 1,219,786,510	$ 1,101,716	$ 4,087,757

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

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	$ 13,557,879	$ 6,026,872	$ 280,478	$ -
Judicial	12,536,043	4,566,494	438,967	155,861
Public safety	63,465,299	4,698,720	167,181	104,923
Public works	21,510,665	4,167,210	71,590	4,897,423
Health and welfare	3,131,028	143,552	344,323	-
Cuture and recreation	15,331,590	2,266,406	40,000	206,696
Housing and development	4,465,780	3,763,904	-	-
Interest on long-term debt	5,859,659	-	-	-
Total governmental activities	139,857,943	25,633,158	1,342,539	5,364,903
Business-type activities:				
Water and sewer	34,219,870	32,520,820	-	13,088,421
Solid waste	704,997	1,460,765	-	-
Total business-type activities	34,924,867	33,981,585	-	13,088,421
Total primary government	$ 174,782,810	$ 59,614,743	$ 1,342,539	$ 18,453,324
Component units:				
Health Department	$ 1,454,534	$ 614,272	$ 502,662	$ -
Library System	5,238,075	242,233	318,389	649,872
Total component units	$ 6,692,609	$ 856,505	$ 821,051	$ 649,872
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 and transfers				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position					
Primary Government				Component Units	
Governmental Activities	Business-type Activities	Total		Health Department	Library System
$ (7,250,529)	$ -	$ (7,250,529)		$ -	$ -
(7,374,721)	-	(7,374,721)		-	-
(58,494,475)	-	(58,494,475)		-	-
(12,374,442)	-	(12,374,442)		-	-
(2,643,153)	-	(2,643,153)		-	-
(12,818,488)	-	(12,818,488)		-	-
(701,876)	-	(701,876)		-	-
(5,859,659)	-	(5,859,659)		-	-
(107,517,343)	-	(107,517,343)		-	-
-	11,389,371	11,389,371			
-	755,768	755,768		-	-
-	12,145,139	12,145,139		-	-
$ (107,517,343)	$ 12,145,139	$ (95,372,204)		$ -	$ -
$ -	$ -	$ -		$ (337,600)	$ -
-	-	-		-	(4,027,581)
$ -	$ -	$ -		$ (337,600)	$ (4,027,581)
$ 67,762,780	$ -	$ 67,762,780		$ -	$ -
57,421,811	-	57,421,811		-	-
7,599,912	-	7,599,912		-	-
1,668,304	-	1,668,304		-	-
1,821,370	-	1,821,370		-	-
748,734	230,696	979,430		-	2,903
-	239,548	-		-	4,187,241
784,231	-	784,231		214,714	-
500,000	(500,000)	-		-	-
138,307,142	(29,756)	138,037,838		214,714	4,190,144
30,789,799	12,115,383	42,905,182		(122,886)	162,563
851,803,261	325,078,067	1,176,881,328		1,224,602	3,925,194
$ 882,593,060	$ 337,193,450	$ 1,219,786,510		$ 1,101,716	$ 4,087,757

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

ASSETS	General	Fire District	Debt Service	SPLOST
Cash and cash equivalents	$ 43,127,368	$ 19,286,309	$ 27,222,809	$ 30,350,647
Investments	25,386,060	1,553,040	9,432,500	-
Receivables (net of allowance for uncollectibles)	953,820	54,605	38,680	-
Taxes receivable	2,067,490	741,491	357,207	-
Intergovernmental receivables	3,942,920	8,095	-	3,092,479
Due from other funds	11,711,775	-	-	-
Inventories	374,034	368,697	-	-
Prepaid items	161,097	5,614	-	-
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	9,794,995
Advance to other funds	-	-	-	-
Total assets	$ 87,724,564	$ 22,017,851	$ 37,051,196	$ 43,238,121
LIABILITIES, DEFERRED INFLOWS OF RESOUCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 3,798,575	$ 277,561	$ -	$ 2,603,769
Other accrued liabilities	3,842,864	-	-	126,967
Due to other funds	-	-	-	4,562,401
Advances from other funds	4,434	11,922	-	-
Total liabilities	7,645,873	289,483	-	7,293,137
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	450,177	137,600	64,987	-
Unearned revenue - property taxes	35,335,737	14,499,441	6,867,987	-
Total deferred inflows of resources	35,785,914	14,637,041	6,932,974	-
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaids	161,097	5,614	-	-
Inventories	374,034	368,697	-	-
Long term advances	-	-	-	-
Restricted:				
Judicial services	-	-	-	-
Public safety services	-	6,717,016	-	-
Grant projects	12,266	-	-	-
Capital projects	-	-	-	35,944,984
Jail construction and eqiupping	-	-	-	-
Debt service	-	-	30,118,222	-
Committed:				
Tree replacement	18,045	-	-	-
Paving expenditures	526,033	-	-	-
Assigned:				
Use of reserves in subsequent budget	53,500	-	-	-
Use of reserves for City road improvements	3,500,000	-	-	-
Professional services	135,980	-	-	-
Capital projects	444,398	-	-	-
Supplies and materials	19,145	-	-	-
Health insurance administrative fees	68,700	-	-	-
Unassigned	38,979,579	-	-	-
Total fund balances	44,292,777	7,091,327	30,118,222	35,944,984
Total liabilities, deferred inflows of resources and fund balances	$ 87,724,564	$ 22,017,851	$ 37,051,196	$ 43,238,121

Amounts reported for governmental activities in the statement of net position 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 unavailable 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 position of governmental activities

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

Capital Projects	Nonmajor Governmental Funds	Total
$ 9,546,094	$ 7,456,327	$ 136,989,554
-	-	36,371,600
-	510,564	1,557,669
-	22,064	3,188,252
-	86,972	7,130,466
144,000	-	11,855,775
-	-	742,731
-	701	167,412
12,324,159	-	12,324,159
6,202,073	-	15,997,068
48,347	-	48,347
$ 28,264,673	$ 8,076,628	$ 226,373,033
$ 273,550	$ 332,485	$ 7,285,940
-	-	3,969,831
7,284,602	8,772	11,855,775
-	-	16,356
7,558,152	341,257	23,127,902
-	-	652,764
-	-	56,703,165
-	-	57,355,929
-	701	167,412
-	-	742,731
48,347	-	48,347
-	249,263	249,263
-	1,385,550	8,102,566
-	-	12,266
18,526,232	5,776,031	60,247,247
-	323,826	323,826
-	-	30,118,222
-	-	18,045
-	-	526,033
-	-	53,500
-	-	3,500,000
-	-	135,980
208,800	-	653,198
-	-	19,145
-	-	68,700
1,923,142	-	40,902,721
20,706,521	7,735,371	145,889,202
$ 28,264,673	$ 8,076,628	
		856,954,138
		6,691,686
		652,764
		(130,408,494)
		2,813,764
		$ 882,593,060

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2012

	General	Fire Distirct	Debt Service	SPLOST
Revenues:				
Taxes	$ 80,096,875	$ 17,160,684	$ 8,197,399	$ 30,886,873
Licenses and permits	5,280,066	-	-	-
Intergovernmental	3,023,845	110,076	-	-
Fines and forfeitures	2,432,808	-	-	-
Charges for services	9,945,146	-	-	-
Interest income	164,417	39,015	51,288	29,544
Contributions	48,251	6,020	-	-
Miscellaneous	489,481	28,171	38,680	-
Total revenues	101,480,889	17,343,966	8,287,367	30,916,417
Expenditures:				
Current:				
General government	11,067,338	-	218,843	-
Judicial	11,715,010	-	-	-
Public safety	39,392,940	16,113,677	-	-
Public works	8,084,273	-	-	4,258,555
Health and welfare	3,093,816	-	-	-
Culture and recreation	12,978,050	-	-	1,058,208
Housing and development	4,404,405	-	-	-
Intergovernmental expenditures	-	-	-	1,321,784
Capital outlay	-	-	-	16,574,101
Debt service:				
Principal	-	-	11,750,000	-
Interest	-	-	6,073,485	-
Total expenditures	90,735,832	16,113,677	18,042,328	23,212,648
Excess (deficiency) of revenues over expenditures	10,745,057	1,230,289	(9,754,961)	7,703,769
Other financing sources (uses):				
Proceeds from sale of assets	4,497	-	-	-
Payments to escrow agent	-	-	(20,682,459)	-
Issuance of long term debt	-	-	20,960,000	-
Transfers in	3,171,700	9,949	9,655,000	-
Transfers out	(7,524,815)	-	-	(9,655,000)
Total other financing sources (uses)	(4,348,618)	9,949	9,932,541	(9,655,000)
Net change in fund balances	6,396,439	1,240,238	177,580	(1,951,231)
Fund balances, beginning of year	37,896,338	5,851,089	29,940,642	37,896,215
Fund balances, end of year	$ 44,292,777	$ 7,091,327	$ 30,118,222	$ 35,944,984

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

Capital Projects	Nonmajor Governmental Funds	Total
$ -	$ 265,161	$ 136,606,992
-	-	5,280,066
-	191,833	3,325,754
-	915,789	3,348,597
-	6,989,349	16,934,495
477,308	16,706	778,278
-	16,539	70,810
282,275	15,624	854,231
759,583	8,411,001	167,199,223
8,375	-	11,294,556
-	573,215	12,288,225
-	4,071,268	59,577,885
31,108	-	12,373,936
-	-	3,093,816
116,063	-	14,152,321
-	286,950	4,691,355
-	-	1,321,784
2,516,449	3,923,145	23,013,695
-	-	11,750,000
406,079	-	6,479,564
3,078,074	8,854,578	160,037,137
(2,318,491)	(443,577)	7,162,086
-	23,000	27,497
-	-	(20,682,459)
-	-	20,960,000
7,349,615	175,200	20,361,464
(169,876)	(345,347)	(17,695,038)
7,179,739	(147,147)	2,971,464
4,861,248	(590,724)	10,133,550
15,845,273	8,326,095	135,755,652
$ 20,706,521	$ 7,735,371	$ 145,889,202

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	10,133,550
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.		7,688,065
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		3,257,161
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(351,744)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		11,472,459
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.		(481,042)
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 expense of the internal service funds is reported with governmental activities.		(928,650)
Change in net position - governmental activities	$	30,789,799

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2012

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 25,432,207	$ 3,009,909	$ 28,442,116	$ 5,562,651
Investments	32,983,710	-	32,983,710	2,310,411
Receivables (net of allowance for uncollectibles)	3,737,295	285,041	4,022,336	9,268
Due from other governments	1,455,440	-	1,455,440	-
Inventories	1,036,389	-	1,036,389	252,916
Prepaid items	10,353	-	10,353	588,219
Restricted assets:				
Cash	4,259,469	-	4,259,469	-
Total current assets	68,914,863	3,294,950	72,209,813	8,723,465
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	45,641,552	589,730	46,231,282	143,487
Capital assets, being depreciated	491,295,683	1,325,664	492,621,347	3,951,978
Less accumulated depreciation	(89,960,046)	(483,787)	(90,443,833)	(2,521,436)
Total capital assets, net of accumulated depreciation	446,977,189	1,431,607	448,408,796	1,574,029
Total assets	515,892,052	4,726,557	520,618,609	10,297,494
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	4,371,081	-	4,371,081	-
Total deferred outflows of resources	4,371,081	-	4,371,081	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,653,372	10,840	1,664,212	218,387
Accrued expenses	2,109,337	-	2,109,337	7,165
Customer deposits payable	2,805,318	-	2,805,318	-
Unearned revenue	16,261,004	-	16,261,004	-
Claims payable, current	-	-	-	1,303,765
Compensated absences, current	327,562	22,350	349,912	145,464
Capital leases payable, current	-	-	-	34,383
Note payable, current	5,687	-	5,687	-
Landfill postclosure, current	-	105,451	105,451	-
Revenue bonds payable, current	3,775,000	-	3,775,000	-
Total current liabilities	26,937,280	138,641	27,075,921	1,709,164
Long-term liabilities:				
Advance from other funds	-	24,867	24,867	7,124
Claims payable	-	-	-	926,235
Compensated absences	81,890	5,588	87,478	36,367
Capital leases payable	-	-	-	192,481
Note payable	6,650,572	-	6,650,572	-
Landfill postclosure	-	1,687,222	1,687,222	-
Revenue bonds payable	153,004,617	-	153,004,617	-
Total long-term liabilities	159,737,079	1,717,677	161,454,756	1,162,207
Total liabilities	186,674,359	1,856,318	188,530,677	2,871,371
NET POSITION				
Net investment in capital assets	287,912,394	1,431,607	289,344,001	1,347,165
Restricted for debt service	4,259,469	-	4,259,469	-
Unrestricted	41,416,911	1,438,632	42,855,543	6,078,958
Total net position	$ 333,588,774	$ 2,870,239	336,459,013	$ 7,426,123
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			734,437	
Net position of business-type activities			$ 337,193,450	

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 21,258,080	$ -	$ 21,258,080	$ -
Sewer sales	10,959,528	-	10,959,528	-
Other	303,212	-	303,212	17,111,098
Recycling and transfer fees	-	1,460,628	1,460,628	-
Insurance recoveries	-	-	-	161,866
Other operating income	-	137	137	251,033
Total operating revenues	32,520,820	1,460,765	33,981,585	17,523,997
OPERATING EXPENSES				
Salaries and benefits	5,256,540	467,294	5,723,834	6,536,278
Supplies and maintenance	8,835,402	173,976	9,009,378	6,276,497
Claims	-	-	-	1,283,537
Insurance premiums	-	-	-	1,002,427
General and administrative	-	-	-	47,050
Depreciation and amortization expense	9,618,850	60,689	9,679,539	631,770
Landfill postclosure	-	3,038	3,038	-
Water purchases	3,357,488	-	3,357,488	-
Sewer flow costs	3,079,934	-	3,079,934	-
Total operating expenses	30,148,214	704,997	30,853,211	15,777,559
Operating income	2,372,606	755,768	3,128,374	1,746,438
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	223,592	7,104	230,696	10,134
Intergovernmental revenue	239,548	-	239,548	-
Interest expense	(4,173,406)	-	(4,173,406)	(17,019)
Loss on disposal of assets	-	-	-	(1,143,645)
Total nonoperating revenues (expenses)	(3,710,266)	7,104	(3,703,162)	(1,150,530)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,337,660)	762,872	(574,788)	595,908
Capital contributions	13,088,421	-	13,088,421	-
Transfers in	-	-	-	13,341
Transfers out	-	(500,000)	(500,000)	(2,179,767)
Total capital contributions and transfers	13,088,421	(500,000)	12,588,421	(2,166,426)
Change in net position	11,750,761	262,872	12,013,633	(1,570,518)
NET POSITION, beginning of year, restated	321,838,013	2,607,367		8,996,641
NET POSITION, end of year	$ 333,588,774	$ 2,870,239		$ 7,426,123
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			101,750	
Change in net position of business-type activities			$ 12,115,383	

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, 2012

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 28,316,798	$ 1,457,305	$ 29,774,103	$ 17,574,046
Payments to suppliers and service providers	(16,711,189)	(260,318)	(16,971,507)	(8,701,323)
Payments to employees	(5,217,929)	(457,639)	(5,675,568)	(6,830,566)
Net cash provided by operating activities	6,387,680	739,348	7,127,028	2,042,157
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	(211,009)	-	(211,009)	-
Proceeds from sale of investments	-	-	-	386,183
Interest received	301,934	7,104	309,038	14,649
Net cash provided (used) by investing activities	90,925	7,104	98,029	400,832
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(17,611,574)	-	(17,611,574)	(865,260)
Proceeds from long-term borrowings	35,050,002	-	35,050,002	-
Principal payments on capital leases	-	-	-	(33,128)
Principal payments on notes	(932)	-	(932)	-
Principal payments on bonds	(33,625,000)	-	(33,625,000)	-
Interest and fiscal charges paid	(7,727,206)	-	(7,727,206)	(9,854)
Intergovernmental grants received	-	-	-	7,804
Capital contributions received	8,096,947	-	8,096,947	-
Net cash used in capital and related financing activities	(15,817,763)	-	(15,817,763)	(900,438)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	-	(24,867)	(24,867)	(15,991)
Transfers in	-	-	-	13,341
Transfers out	-	(500,000)	(500,000)	(2,179,767)
Net cash used in noncapital financing activities	-	(524,867)	(524,867)	(2,182,417)
Net increase (decrease) in cash and cash equivalents	(9,339,158)	221,585	(9,117,573)	(639,866)
Cash and cash equivalents:				
Beginning of year	39,030,834	2,788,324	41,819,158	6,202,517
End of year	$ 29,691,676	$ 3,009,909	$ 32,701,585	$ 5,562,651
Classified as:				
Cash	$ 25,432,207	$ 3,009,909	$ 28,442,116	$ 5,562,651
Restricted cash	4,259,469	-	4,259,469	-
Total	$ 29,691,676	$ 3,009,909	$ 32,701,585	$ 5,562,651
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 2,372,606	$ 755,768	$ 3,128,374	$ 1,746,438
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	9,618,850	60,689	9,679,539	631,770
Decrease (increase) in accounts receivable	(759,172)	(3,460)	(762,632)	35,424
Decrease in due from other funds	-	-	-	15,000
Increase in inventories	(211,750)	-	(211,750)	(13,646)
Increase in prepaid expenses	(10,353)	-	(10,353)	(39,327)
Decrease in accounts payable	(1,274,657)	(16,893)	(1,291,550)	(198,839)
Decrease in accrued expenses	(31,051)	-	(31,051)	-
Increase in customer deposits payable	89,446	-	89,446	-
Decrease in unearned revenue	(3,444,850)	-	(3,444,850)	(375)
Increase (decrease) in compensated absences	38,611	9,655	48,266	(294,288)
Increase in claims payable	-	-	-	160,000
Decrease in landfill postclosure care costs	-	(66,411)	(66,411)	-
Net cash provided by operating activities	$ 6,387,680	$ 739,348	$ 7,127,028	$ 2,042,157
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 4,991,474	$ -	$ 4,991,474	$ -
Equipment acquired through capital lease	-	-	-	259,992

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

ASSETS	Agency Funds	Pension Trust Fund
Cash	$ 6,287,326	$ 205,667
Mutual funds	-	9,922,850
Taxes receivable	6,961,925	-
Other receivable	4,394	3,385
Total assets	13,253,645	10,131,902
LIABILITIES		
Due to others	6,291,720	-
Uncollected taxes	6,961,925	-
Total liabilities	13,253,645	-
NET POSITION		
Net position held in trust for pension benefits	$ -	$ 10,131,902

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 1,000,000
Investment income	1,173,693
Less investment expense	(28,514)
Net investement income	1,145,179
Total additions	2,145,179
DEDUCTIONS	
Benefit payments	509,964
Total deductions	509,964
Change in net position	1,635,215
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	8,496,687
End of year	$ 10,131,902

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 commissioners are by geographical districts in which they reside by voters county-wide, then the Board members elect a chairman. 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 position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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 reported 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)

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.

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.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year interest in the amount of $2,180,430 was capitalized.

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

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

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple types of deferred inflows, one item arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Another element relates the offset of the fair market value of the County's derivative. As the derivative qualifies as an effective hedge, the change in fair market value occurs each year, the asset and deferred inflow are adjusted. Lastly, the County also reports unearned property tax revenues which are levied in August but for the next fiscal year and thus will be recognized as revenue in the period for which they were levied.

I. Compensated Absences

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

J. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities 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 by passage of a resolution and the commitment can only be removed by a resolution of the Board.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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

For the year ending December 31, 2012, the County has reported $668,223 of encumbrances as assignments of fund balance in the General Fund.

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

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

L. Management Estimates

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

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 Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 $130,408,494 difference are as follows:

Bonds payable	$	(116,395,000)
Unamortized premiums		(1,165,076)
Deferred charges on refundings		2,550,383
Certificates of participation		(7,777,000)
Accrued interest		(1,613,021)
Net OPEB obligation		(730,535)
Compensated absences		(5,278,245)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(130,408,494)

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 position 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 $7,688,065 difference are as follows:

Capital outlay	$	26,379,469
Depreciation expense		(18,691,404)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	7,688,065

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 position." The details of this $3,257,161 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.	$	(43,102)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		3,300,263
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	3,257,161

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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 an effect on net position." The details of this $11,472,459 difference are as follows:

Issuance of debt	$	(20,960,000)
Payments to escrow agent		20,682,459
Principal reduction		11,750,000
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	11,472,459

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

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

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $481,042 difference are as follows:

Compensated absences	$	(782,905)
Net OPEB obligation		(184,399)
Net pension asset		218,290
Prepaid defined contribution plan forfeitures		(351,933)
Amortization		206,553
Accrued interest		413,352
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(481,042)

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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 3. LEGAL COMPLIANCE – BUDGETS (Continued)

Excess Expenditures Over Appropriations

For the year ended December 31, 2012 expenditures exceeded the budget, by more than $500, in the funds and General Fund departments as follows:

General Fund:		
General Engineering	$	2,346
Community Service		2,285

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

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 AAAf 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, 2012, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2012, the County had $201,438 of deposits at a financial institution that were uninsured and uncollateralized. On January 10, 2013, the financial institution pledged an additional security in the amount of $1,000,000 to secure the County's deposits. All other County bank deposit balances were collateralized as defined by State statutes and GASB as of December 31, 2012.

At December 31, 2012, 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	$ 656,983	$ -	$ -	Aaa	$ 656,983
United States Treasuries	9,966,521	35,073,493	-	AA+	45,040,014
Georgia Fund 1	26,910,104	-	-	AAAf	26,910,104
Federal Home Loan Mortgage Corp.	7,417,584	6,371,483	-	AA+	13,789,067
Federal Home Loan Bank	412,176	-	-	AA+	412,176
Federal National Mortgage Assn	-	3,481,925	-	AA+	3,481,925
Wells Fargo Adv Tr Pl MM	589,544	-	-	Aaa	589,544
First American Treasury MM	31,551,655	-	-	*	31,551,655
Guaranteed Investment Contract	-	-	6,202,073	(a)	6,202,073
Mutual Funds - Pension	9,922,850	-	-	(b)	9,922,850
	$ 87,427,417	$ 44,926,901	$ 6,202,073		$ 138,556,391

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

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, 2012, 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	$ 2,067,490	$ 741,491	$ 357,207	$ -
Other governments	3,942,920	8,095	-	3,092,479
Accounts	953,820	54,605	38,680	-
Gross receivables	6,964,230	804,191	395,887	3,092,479
Less allowance for uncollectibles	-	-	-	-
Net receivables	$ 6,964,230	$ 804,191	$ 395,887	$ 3,092,479

	Nonmajor Governmental Funds	Water & Sewerage Authority	Solid Waste Disposal Facility
Receivables:			
Taxes	$ 22,064	$ -	$ -
Other governments	86,972	1,455,440	-
Accounts	510,564	5,555,409	285,041
Gross receivables	619,600	7,010,849	285,041
Less allowance for uncollectibles	-	(1,818,114)	-
Net receivables	$ 619,600	$ 5,192,735	$ 285,041

Property taxes for the 2012 fiscal year were levied on August 22, 2011, with property values assessed as of January 1, 2011. Bills are payable on or before November 15, 2011 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 February 16. Property taxes levied during 2012 are for fiscal year 2013. Amounts recorded as a receivable and amounts collected as of December 31, 2012 related to these taxes are recorded as deferred inflows of resources - 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, 2012 was as follows:

	Beginning Balance Restated	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 392,855,070	$ 1,552,206	$ (51,326)	$ 2,407,067	$ 396,763,017
Infrastructure land improvements	153,463,734	429,836	-	4,256,230	158,149,800
Construction in progress	47,118,817	24,967,378	(12,266)	(30,115,953)	41,957,976
Total capital assets, not being depreciated	593,437,621	26,949,420	(63,592)	(23,452,656)	596,870,793
Capital assets, being depreciated:					
Buildings and improvements	106,272,746	7,249	-	8,147,042	114,427,037
Machinery and equipment	38,353,457	1,258,312	-	1,549,086	41,160,855
Vehicles	24,281,608	870,660	(93,859)	1,547,818	26,606,227
Infrastructure	272,915,757	1,719,344	-	12,208,710	286,843,811
Total capital assets, being depreciated	441,823,568	3,855,565	(93,859)	23,452,656	469,037,930
Less accumulated depreciation for:					
Buildings and improvements	21,104,835	2,905,578	-	-	24,010,413
Machinery and equipment	24,646,435	3,018,633	-	-	27,665,068
Vehicles	17,859,148	1,967,134	(63,023)	-	19,763,259
Infrastructure	124,509,987	11,431,829	-	-	135,941,816
Total accumulated depreciation	188,120,405	19,323,174	(63,023)	-	207,380,556
Total capital assets, being depreciated, net	253,703,163	(15,467,609)	(30,836)	23,452,656	261,657,374
Governmental activities capital assets, net	$ 847,140,784	$ 11,481,811	$ (94,428)	$ -	$ 858,528,167

The above table includes restatements to land and improvements of $1,497,981, construction in progress of $4,164,263, infrastructure of $22,822,351, and accumulated depreciation of infrastructure of $3,503,017. The restatement was necessary to remove road repairs and maintenance capitalized in prior years. Total net restatement reduced capital assets by $24,981,578.

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	$ 14,340	$ -	$ -	$ 28,757,058
Sewer capacity rights	7,574,500	-	-	-	7,574,500
Construction in progress	39,057,610	7,617,887	-	(36,775,773)	9,899,724
Total capital assets, not being depreciated	75,374,828	7,632,227	-	(36,775,773)	46,231,282
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	17,858,372	-	-	-	17,858,372
Machinery and equipment	6,323,049	158,703	-	-	6,481,752
Vehicles	2,030,551	140,196	(12,057)	-	2,158,690
Sewer capacity rights	3,328,100	11,436,450	-	-	14,764,550
Infrastructure	408,956,055	5,415,902	-	36,775,773	451,147,730
Total capital assets, being depreciated	438,861,380	17,151,251	(12,057)	36,775,773	492,776,347
Less accumulated depreciation for:					
Land improvements	124,137	13,447	-	-	137,584
Buildings and improvements	1,623,613	366,745	-	-	1,990,358
Machinery and equipment	2,927,051	177,464	-	-	3,104,515
Vehicles	1,745,231	113,079	(12,057)	-	1,846,253
Sewer capacity rights	1,505,270	516,758	-	-	2,022,028
Infrastructure	72,994,108	8,503,987	-		81,498,095
Total accumulated depreciation	80,919,410	9,691,480	(12,057)	-	90,598,833
Total capital assets, being depreciated, net	357,941,970	7,459,771	-	36,775,773	402,177,514
Business-type activities capital assets, net	$ 433,316,798	$ 15,091,998	$ -	$ -	$ 448,408,796

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 1,033,430
Judicial	286,562
Public safety	4,549,333
Public works	11,117,938
Health and welfare	43,976
Culture and recreation	2,286,992
Housing and development	4,943
Total depreciation expense - governmental activities	$ 19,323,174
Business-type activities:	
Water and Sewerage Authority	$ 9,630,791
Solid Waste Disposal Facility	60,689
Total depreciation expense - business-type activities	$ 9,691,480

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	(35,363)	(2,130)	-	(37,493)
Total	(35,363)	(2,130)	-	(37,493)
Total capital assets, being depreciated, net	$ 6,312	$ (2,130)	$ -	$ 4,182

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
CIP	$ 238,639	$ 160,604	$ -	$ 399,243
Total	238,639	160,604	-	399,243
Capital assets, being depreciated:				
Machinery and equipment	2,016,759	97,231	(6,500)	2,107,490
Books and collections	4,903,673	415,444	(425,176)	4,893,941
Total	6,920,432	512,675	(431,676)	7,001,431
Less accumulated depreciation for:				
Machinery and equipment	(1,089,756)	(213,264)	6,500	(1,296,520)
Books and collections	(3,546,338)	(733,150)	425,176	(3,854,312)
Total	(4,636,094)	(946,414)	431,676	(5,150,832)
Total capital assets, being depreciated, net	2,284,338	(433,739)	-	1,850,599
Total capital assets, net	$ 2,522,977	$ (273,135)	$ -	$ 2,249,842

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2012, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	SPLOST Fund	$ 4,418,401
General Fund	Capital Projects Fund	7,284,602
General Fund	Nonmajor governmental funds	8,772
		$ 11,711,775
Capital Projects Fund	SPLOST Fund	$ 144,000

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 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, 2012 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Capital Projects Fund	$ 146,586
General Fund	Nonmajor governmental funds	345,347
General Fund	Solid Waste Disposal Facility	500,000
General Fund	Internal Service Funds	2,179,767
Fire District Fund	Capital Projects Fund	9,949
Capital Projects Fund	General Fund	7,349,615
Debt Service Fund	SPLOST Fund	9,655,000
Nonmajor governmental funds	General Fund	175,200
Internal Service Fund	Capital Projects Fund	13,341

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) to move funds available from sales tax collections to cover allowable SPLOST bond debt service requirement, and (3) to move funds in order to eliminate internal service funds.

Advances to/from other funds are as follows:

Receivable entity	Payable entity	Amount
Capital Projects Fund	General Fund	$ 4,434
Capital Projects Fund	Fire District Fund	11,922
Capital Projects Fund	Solid Waste Disposal Facility	24,867
Capital Projects Fund	Internal Service Funds	7,124
		$ 48,347

The amounts payable from the General Fund, 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. Amounts are being repaid on a schedule spanning more than one year.

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2012:

	Beginning Balance Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 126,340,000	$ 20,960,000	$ (30,905,000)	$ 116,395,000	$ 12,655,000
Plus: Premiums	2,181,752	-	(1,016,676)	1,165,076	-
Total bonds payable	128,521,752	20,960,000	(31,921,676)	117,560,076	12,655,000
Capital leases payable	-	259,992	(33,128)	226,864	34,383
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	546,136	400,000	(215,601)	730,535	-
Compensated absences	4,622,756	14,935,977	(14,098,657)	5,460,076	4,368,061
Claims payable	2,070,000	1,473,537	(1,313,537)	2,230,000	1,303,765
Governmental activities long-term liabilities	$ 143,537,644	$ 38,029,506	$ (47,582,599)	$ 133,984,551	$ 18,361,209
Business-type Activities:					
Bonds payable	$ 156,285,000	$ 27,195,000	$ (33,625,000)	$ 149,855,000	$ 3,775,000
Less: Discounts	(242,869)	-	155,762	(87,107)	-
Plus: Premiums	2,843,032	4,522,802	(354,110)	7,011,724	-
Total bonds payable	158,885,163	31,717,802	(33,823,348)	156,779,617	3,775,000
Note payable	3,250,970	3,406,221	(932)	6,656,259	5,687
Landfill postclosure costs	1,859,084	-	(66,411)	1,792,673	105,451
Compensated absences	389,124	1,948,421	(1,900,155)	437,390	349,912
Business-type activities long-term liabilities	$ 164,384,341	$ 37,072,444	$ (35,790,846)	$ 165,665,939	$ 4,236,050

For governmental activities, compensated absences are being liquidated primarily by the General Fund 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.

The notes payable beginning balance for business type activities was restated to write off $575,452 under the terms of the loan documents.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. 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.

During 2012, the County issued $20,960,000 of Series 2012 general obligation bonds. The 2012 bonds were issued to refund $19,155,000 of the $23,715,000 in aggregate principal amount of the Series 2004 Bonds maturing March 1, 2004 through 2020. The bonds, which bear interest at rates from 0.4% to 2.1%, mature March 1, 2020. The bonds were issued to reduce total debt service payments by $1,354,821 and resulted in an economic gain and a present value cash flow of $1,273,084. The current outstanding amount of debt considered legally defeased equals $19,155,000 as of December 31, 2012.

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

Year ending December 31,	Principal	Interest	Total
2013	$ 12,655,000	$ 4,558,291	$ 17,213,291
2014	4,330,000	4,189,639	8,519,639
2015	5,045,000	4,056,103	9,101,103
2016	5,660,000	3,944,171	9,604,171
2017	6,275,000	3,796,937	10,071,937
2018 - 2022	34,165,000	15,462,313	49,627,313
2023 - 2027	38,565,000	7,575,709	46,140,709
2028	9,700,000	242,501	9,942,501
Total	$ 116,395,000	$ 43,825,664	$ 160,220,664

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, 2012, the floating rate being paid by the County is 0.45% and the market value of this agreement is $2,652,221, an increase of $13,858 from the prior year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2012 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 position. 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 inflow of resources in the Statement of Net Position.

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

	Principal	Interest	Total
Fiscal Year Ending December 31,			
2013	$ -	$ 369,408	$ 369,408
2014	-	369,408	369,408
2015	-	369,408	369,408
2016	-	369,408	369,408
2017	-	369,408	369,408
2018-2022	-	1,847,040	1,847,040
2023-2027	-	1,847,040	1,847,040
2028	7,777,000	184,704	7,961,704
Total	$ 7,777,000	$ 5,725,824	$ 13,502,824

Capital Leases – Equipment. The County has entered into a lease agreement as lessee to finance the acquisition of telecommunications equipment for use in general governmental activities. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease terms) and, therefore, has been recorded as the present value of the future minimum lease payments as of the date of their inceptions. The lease is for a period of five years, at an interest rate of 3.79%. As of December 31, 2012, the County had $207,994, net of depreciation, of machinery and equipment under a capital lease.

At December 31, 2012, future lease payments for the capital lease payable are as follows:

	Governmental Activities
Year Ending December 31,	
2013	$ 42,981
2014	42,982
2015	42,981
2016	42,982
2017	42,982
2018	42,982
Total minimum lease payments	257,890
Less amount representing interest	31,026
Present value of future minimum lease payments	$ 226,864

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Sales Tax Bonds. On December 21, 2012, the County issued Series 2012 A, B, C, and D sales tax bonds. The bonds were all issued to a local financial institution for a total of $50,000,000 for construction of the new courthouse. The bonds operate as a line of credit. The County will draw funds as needed and pay interest only on the drawn amounts. The bonds will mature as follows, Series A, June 30, 2015; Series B, June 30, 2016; Series C, June 30, 2017; and Series D, June 30, 2018 on which all remaining outstanding principal will be due. The bonds have variable interest rates at LIBOR plus 1.33% and will be adjusted automatically on and as of the effective date of any change in the Euro Dollar Reserve Percentage. The rate cannot exceed 8%. As of December 31, 2012, there were no draws made by the County.

Revenue Bonds. 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.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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 Series 2001 Bonds were called on April 1, 2012 and are considered paid in full as of December 31, 2012

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 0.75% and the bonds mature April 1, 2035. The current outstanding amount of debt considered legally defeased equals $30,320,000 as of December 31, 2012.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Series 2012 Water and Sewer Revenue Bonds– In March 2012, the County Water and Sewerage Authority issued $27,195,000 in revenue bonds to refund the remaining $30,000,000 in aggregate principal amount of the Series 2002 Bonds maturing April 1, 2004 through 2032. 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 5.0%, mature April 1, 2032. The bonds were issued to reduce total debt service payments by $5,624,189 and resulted in an economic gain and a present value cash flow of $3,780,342 The current outstanding amount of debt considered legally defeased equals $30,000,000 as of December 31, 2012.

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

Year ending December 31,	Principal	Interest	Total
2013	$ 3,775,000	$ 5,601,888	$ 9,376,888
2014	3,900,000	5,468,722	9,368,722
2015	4,030,000	5,329,471	9,359,471
2016	4,200,000	5,173,163	9,373,163
2017	4,365,000	5,002,545	9,367,545
2018 - 2022	24,875,000	21,999,061	46,874,061
2023 - 2027	30,875,000	16,097,451	46,972,451
2028 - 2032	38,605,000	8,264,227	46,869,227
2033 - 2037	35,230,000	1,992,702	37,222,702
Total	$ 149,855,000	$ 74,929,230	$ 224,784,230

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, 2012, the loan has a balance of $6,592,191 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)

In 2011, the County entered into an agreement with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects. The agreement was originally executed for $65,000, with an interest rate of 3.0%. The agreement is paid each month beginning November 1, 2012 through October 1, 2022. The debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2013	$ 5,687	$ 1,844	$ 7,531
2014	5,860	1,671	7,531
2015	6,039	1,492	7,531
2016	6,222	1,309	7,531
2017	6,412	1,119	7,531
2018 - 2022	33,848	2,555	36,403
Total	$ 64,068	$ 9,990	$ 74,058

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, 2012, the County has 17 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,792,673 over the 17-year period. These costs are based on what it would cost to perform all post-closure care in 2012, 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, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 92,145	$ 77,423	$ (57,170)	$ 112,398	$ 57,000

NOTE 8. LONG-TERM DEBT (CONTINUED)

C. Discretely Presented Component Unit – Library System

The Library's long-term debt activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Capital Leases	$ 4,130	$ -	$ 1,198	$ 2,932	$ 1,329
Compensated absences	226,555	181,534	205,106	202,983	183,766
Total	$ 230,685	$ 181,534	$ 206,304	$ 205,915	$ 185,095

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, 2012, the Library had $1,832, net of depreciation, of machinery and equipment under a capital lease.

At June 30, 2012, future lease payments for the capital lease payable are as follows:

	Principal	Interest	Total
Year ending June 30,			
2013	$ 1,329	$ 243	$ 1,572
2014	1,474	98	1,572
2015	129	1	130
Total	$ 2,932	$ 342	$ 3,274

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.

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Plan Description (Continued)

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, 2013. The County's payroll for employees participating in the Plan as of January 1, 2013, (the most recent actuarial valuation date) was $2,924,601 (based on covered earnings of the preceding year).

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

As of January 1, 2013, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	38
Terminated vested participants not yet receiving benefits	5
Active participants	41
	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.

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2012, is as follows:

Derivation of Annual Pension Cost	**January 1, 2012**
Annual Required Contribution	$ 771,941
Interest on Net Pension Obligation	(194,661)
Adjustment of Net Pension Obligation	204,430
Annual Pension Cost	$ 781,710

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 781,710
Actual Contributions to Plan for Current Year	1,000,000
Increase in Net Pension Obligation (Asset)	(218,290)
Net Pension Obligation (Asset) as of December 31, 2011	(2,595,474)
Net Pension Obligation (Asset) as of December 31, 2012	$ (2,813,764)

Basis of Valuation	
Current Valuation Date	January 1, 2013
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
1/1/2013	$ 10,131,902	$ 15,647,356	$ 5,515,454	64.75 %	$ 2,924,601	188.59 %

NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

Annual Pension Cost (Continued)

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 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, 2013.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/12	$ 781,710	$ 1,000,000	127.9 %	$ (2,813,764)
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)

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 2012, employee contributions were $3,594,615 and County contributions were $2,377,536. 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

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.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost

The County's annual other post-employment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year beginning January 1, 2012 is as follows:

	January 1, 2012
Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 418,000
Interest on Net OPEB Obligation	15,000
Adjustment to the ARC	(33,000)
Annual OPEB Cost	$ 400,000
Derivation of Net OPEB Obligation	
Annual OPEB Cost for Current Year	$ 400,000
Actual Contributions to Plan for Current Year	215,601
Increase in Net OPEB Obligation	184,399
Net OPEB Obligation as of December 31, 2011	546,136
Net OPEB Obligation as of December 31, 2012	$ 730,535
Basis of Valuation	
Current Valuation Date	April 1, 2012
Actuarial Cost 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)

Annual OPEB Cost (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 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
12/31/12	$ 400,000	$ 215,601	53.9 %	$ 730,535
12/31/11	412,000	193,586	47.0	546,136
12/31/10	206,000	78,458	38.1	327,722

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.

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2012, 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. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

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
2012	$ 1,022,512	$ 14,696,479	$ 14,893,901	$ 825,090
2011	905,568	13,495,923	13,378,979	1,022,512

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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

Workers' Compensation (Continued)

The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At December 31, 2012, 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.

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, 2012, an actuary determined that an estimated $1,520,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2012 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
2012	$ 1,330,000	$ 973,288	$ 783,288	$ 1,520,000
2011	1,290,000	741,525	701,525	1,330,000

NOTE 12. RISK MANAGEMENT (CONTINUED)

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.

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, 2012, an actuary determined that an estimated $710,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2012 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
2012	$ 740,000	$ 500,249	$ 530,249	$ 710,000
2011	720,000	500,073	480,073	740,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2012, the County has contractual commitments on uncompleted contracts of approximately $2,596,490.

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.

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, 2012, the County paid $192,517 in such dues. Membership in the Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia.

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

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

NOTE 14. JOINT VENTURE (CONTINUED)

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto. During the year ended December 31, 2012, the County paid $25,737 in such dues. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia.

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

Atlanta Regional Commission
40 Courtland Street, NE
Atlanta, GA 30303

NOTE 15. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2012, the County collected $265,161 in revenues. Of this amount $265,161 or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 16. RESTATEMENTS

The County has determined that a restatement to beginning net position of the Governmental Activities was required to (1) recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of January 1, 2012 and (2) to remove repair and maintenance costs from capital assets and properly record these costs as expenses. These adjustments resulted in changes to beginning net position of Governmental Activities as follows:

	Governmental Activities
Net position, as previously reported	$ 877,472,875
Recognition of bond issuance costs in accordance with GASB 65	(688,036)
Adjustments to remove repair expenses from capital assets	(24,981,578)
Net position, as restated	$ 851,803,261

NOTE 16. RESTATEMENTS (CONTINUED)

The County has determined the following restatements to beginning net position were required in relation to the County Water and Sewerage Authority: (1) to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of January 1, 2012, (2) to record additional revenues and reduce notes payable for forgiveness on principal on notes payable and, (3) to adjust prior year revenues and related unearned revenue for prepaid sewer capacity rights that were not earned in prior years. These adjustments resulted in changes to beginning Water and Sewerage Authority net position as follows:

	Water and Sewerage Authority
Net position, as previously reported	$ 324,033,596
Recognition of bond issuance costs in accordance with GASB 65	(1,580,125)
Adjustments to record principal forgiveness of notes payable	575,452
Adjustments to record unearned prepaid sewer capacity revenues	(1,190,910)
Net position, as restated	$ 321,838,013

The above restatements also caused adjustments to beginning net position of Business-type Activities:

	Business-type Activities
Net position, as previously reported	$ 327,273,650
Recognition of bond issuance costs in accordance with GASB 65	(1,580,125)
Adjustments to record principal forgiveness of notes payable	575,452
Adjustments to record unearned prepaid sewer capacity revenues	(1,190,910)
Net position, as restated	$ 325,078,067

NOTE 17. SUBSEQUENT EVENTS

On April 18, 2013, Forsyth County, Georgia (the County) issued General Obligation Bonds, Series 2013 (the bonds) in the face amount of $14,130,000. The proceeds of the Series 2013 Bonds will be used to finance costs of acquiring, constructing, renovating, and equipping parks and recreational areas, programs, and facilities in the County and the cost of issuing the bonds. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2013. Principal payments commence in 2014 with final maturity coming in 2028.

NOTE 17. SUBSEQUENT EVENTS (CONTINUED)

On April 18, 2013, the Forsyth County Water & Sewerage Authority (the Authority), a blended component unit of Forsyth County, Georgia, issued Refunding Revenue Bonds, Series 2013 (the bonds) in the face amount of $27,435,000. The proceeds of the Series 2013 Bonds will be used to refund a portion of the Authority's Revenue Bonds, Series 2005A; maturing on April 1, 2017 and thereafter, in the aggregate principal amount of $13,070,000; and a portion of the Authority's Revenue Bonds, Series 2007, maturing April 1, 2019 through 2028, inclusive, in the aggregate principal amount of $15,690,000. 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, 2013. Principal payments commence in 2014 with final maturity coming in 2028.

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REQUIRED SUPPLEMENTARY INFORMATION

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 73,880,930	$ 75,004,744	$ 80,096,875	$ 5,092,131
Licenses and permits	3,976,700	3,976,700	5,280,066	1,303,366
Intergovernmental	1,612,944	3,277,719	3,023,845	(253,874)
Fines and forfeitures	2,310,800	2,310,800	2,432,808	122,008
Charges for services	8,831,900	8,831,900	9,945,146	1,113,246
Interest income	65,000	65,000	164,417	99,417
Contributions	120,200	120,200	48,251	(71,949)
Miscellaneous	91,100	92,100	489,481	397,381
Total revenues	90,889,574	93,679,163	101,480,889	7,801,726
Expenditures:				
Current:				
General government:				
Board of commissioners	945,400	946,330	784,131	162,199
Administrative	1,483,400	1,488,470	1,281,110	207,360
Voter registration	1,596,200	1,596,200	1,241,521	354,679
Tax commissioner	3,273,200	3,273,200	2,937,629	335,571
Tax assessor	2,541,200	2,541,200	2,528,020	13,180
General engineering	2,008,300	2,012,300	2,014,646	(2,346)
Board of equalization	92,500	92,500	62,027	30,473
Regional development council	234,552	234,552	218,254	16,298
Other	230,000	230,000	-	230,000
Total general government	12,404,752	12,414,752	11,067,338	1,347,414
Judicial:				
Judicial administration	946,800	1,020,726	1,020,726	-
Superior court	554,500	548,422	505,021	43,401
Clerk superior court	2,525,050	2,525,100	2,525,099	1
District attorney	827,600	844,525	844,525	-
State court	808,800	808,000	792,829	15,171
Magistrate court	928,400	928,400	894,272	34,128
Probate court	804,600	811,313	811,313	-
Juvenile court	1,201,400	1,216,384	1,216,384	-
Solicitor-state court	1,612,250	1,617,740	1,617,739	1
Indigent defense	1,296,550	1,303,890	1,303,889	1
Pretrial services	176,200	183,214	183,213	1
Total judicial	11,682,150	11,807,714	11,715,010	92,704
Public safety:				
Sheriff's office	37,514,750	38,570,267	38,236,049	334,218
Ambulance services	956,683	956,683	956,759	(76)
Dispatchers	28,600	30,556	30,556	-
Coroner and medical examiner	177,200	177,200	169,576	7,624
Total public safety	38,677,233	39,734,706	39,392,940	341,766
Public works:				
General-public works	4,343,941	6,330,036	6,289,997	40,039
Storm water division	1,695,300	1,597,376	1,454,351	143,025
Traffic engineering	379,000	379,000	339,925	39,075
Total public works	6,418,241	8,306,412	8,084,273	222,139

(Continued)

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 259,850	$ 262,136	$ 220,343	$ 41,793
Senior citizens center	2,041,100	2,041,100	1,935,434	105,666
Community service	33,300	33,300	35,585	(2,285)
Transportation services	537,400	537,310	519,059	18,251
Mental health	91,400	91,400	91,400	-
Family and children services	258,300	291,995	291,995	-
Total health and welfare	3,221,350	3,257,241	3,093,816	163,425
Culture and recreation:				
Recreation	359,416	380,400	380,400	-
Parks	8,237,794	8,237,949	8,096,729	141,220
Library	4,237,828	4,237,828	4,236,921	907
Agencies	277,000	264,000	264,000	-
Total culture and recreation	13,112,038	13,120,177	12,978,050	142,127
Housing and development:				
Conservation	137,900	137,900	130,810	7,090
Planning and zoning	3,240,100	3,263,395	3,204,233	59,162
Code enforcement	781,300	781,300	761,109	20,191
Economic development	83,000	83,000	83,000	-
County agent	242,500	242,500	225,253	17,247
Total housing and development	4,484,800	4,508,095	4,404,405	103,690
Total expenditures	90,000,564	93,149,097	90,735,832	2,413,265
Excess of revenues over expenditures	889,010	530,066	10,745,057	10,214,991
Other financing sources (uses):				
Proceeds from sale of assets	4,000	4,000	4,497	497
Transfers in	800,000	800,000	3,171,700	2,371,700
Transfers out	(1,818,300)	(8,003,492)	(7,524,815)	478,677
Total other financing sources (uses)	(1,014,300)	(7,199,492)	(4,348,618)	2,850,874
Net change in fund balances	(125,290)	(6,669,426)	6,396,439	13,065,865
Fund balances, beginning of year	37,896,338	37,896,338	37,896,338	-
Fund balances, end of year	$ 37,771,048	$ 31,226,912	$ 44,292,777	$ 13,065,865

FORSYTH COUNTY, GEORGIA

BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FIRE DISTRICT FUND

FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 16,592,931	$ 16,592,931	$ 17,160,684	$ 567,753
Intergovernmental	45,900	76,517	110,076	33,559
Interest income	26,000	26,000	39,015	13,015
Contributions	2,100	2,100	6,020	3,920
Miscellaneous	70,000	70,000	28,171	(41,829)
Total revenues	16,736,931	16,767,548	17,343,966	576,418
Expenditures:				
Current:				
Public safety	15,462,890	17,765,309	16,113,677	1,651,632
Total expenditures	15,462,890	17,765,309	16,113,677	1,651,632
Excess (deficiency) of revenues over expenditures	1,274,041	(997,761)	1,230,289	2,228,050
Other financing sources:				
Transfers in	-	-	9,949	9,949
Total other financing sources	-	-	9,949	9,949
Net changes in fund balances	1,274,041	(997,761)	1,240,238	2,237,999
Fund balances, beginning of year	5,851,089	5,851,089	5,851,089	-
Fund balances, end of year	$ 7,125,130	$ 4,853,328	$ 7,091,327	$ 2,237,999

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, 2013	$ 10,131,902	$ 15,647,356	$ 5,515,454	64.8%	$ 2,924,601	188.6%
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%

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. The measurement date of April 1, 2012 was for the County's 2011 and 2012 years.

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 Defined Benefit Pension Plan

Fiscal Year End	Annual Required Contribution (ARC)	Actual County Contributions	Percentage of ARC Contributed
December 31, 2012	$ 771,941	$ 1,000,000	129.5%
December 31, 2011	752,501	911,750	121.2%
December 31, 2010	907,259	1,288,250	142.0%
December 31, 2009	813,486	796,399	97.9%
December 31, 2008	626,061	626,061	100.0%
December 31, 2007	485,524	467,737	96.3%

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.

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, 2012

	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	$ 3,937	$ 542,678	$ 256,485	$ 42,052	$ 75,538	$ 112,100
Receivables, net of allowance for uncollectibles	-	-	501,792	-	-	8,772
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivable	18,229	49,076	-	-	-	-
Prepaid items	-	-	701	-	-	-
Total assets	$ 22,166	$ 591,754	$ 758,978	$ 42,052	$ 75,538	$ 120,872
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 331	$ 35,308	$ 46,763	$ -	$ -	$ 1,029
Due to other funds	-	-	-	-	-	8,772
Total liabilities	331	35,308	46,763	-	-	9,801
FUND BALANCES						
Nonspendable:						
Prepaids	-	-	701	-	-	-
Restricted:						
Judicial services	21,835	-	-	-	-	111,071
Public safety services	-	556,446	711,514	42,052	75,538	-
Capital projects	-	-	-	-	-	-
Jail construction and equiping	-	-	-	-	-	-
Total fund balances	21,835	556,446	712,215	42,052	75,538	111,071
Total liabilities and fund balances	$ 22,166	$ 591,754	$ 758,978	$ 42,052	$ 75,538	$ 120,872

Special Revenue Funds			Capital Projects Fund		
Juvenile Court Fund	DUI Court Supervisor Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ 47,434	$ 58,875	$ 24,237	$ 323,826	$ 5,969,165	$ 7,456,327
-	-	-	-	-	510,564
-	-	22,064	-	-	22,064
-	19,667	-	-	-	86,972
-	-	-	-	-	701
$ 47,434	$ 78,542	$ 46,301	$ 323,826	$ 5,969,165	$ 8,076,628
$ -	$ 9,619	$ 46,301	$ -	$ 193,134	$ 332,485
-	-	-	-	-	8,772
-	9,619	46,301	-	193,134	341,257
-	-	-	-	-	701
47,434	68,923	-	-	-	249,263
-	-	-	-	-	1,385,550
-	-	-	-	5,776,031	5,776,031
-	-	-	323,826	-	323,826
47,434	68,923	-	323,826	5,776,031	7,735,371
$ 47,434	$ 78,542	$ 46,301	$ 323,826	$ 5,969,165	$ 8,076,628

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	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	99,867	65,410	-	-	-	-
Fines and forfeitures	111,493	199,687	-	232,739	4,639	88,749
Charges for services	-	-	3,561,539	-	-	-
Interest income	-	1,029	1,065	219	-	78
Contributions and donations	-	6,000	-	10,539	-	-
Miscellaneous	-	-	5,700	30	-	3,917
Total revenues	211,360	272,126	3,568,304	243,527	4,639	92,744
Expenditures:						
Current:						
Judicial	384,334	-	-	-	-	112,911
Public safety	-	146,427	3,551,938	358,403	9,147	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	384,334	146,427	3,551,938	358,403	9,147	112,911
Excess (deficiency) of revenues over expenditures	(172,974)	125,699	16,366	(114,876)	(4,508)	(20,167)
Other financing sources (uses):						
Proceeds from sale of assets	-	-	-	23,000	-	-
Transfers in	175,200	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses):	175,200	-	-	23,000	-	-
Net change in fund balances	2,226	125,699	16,366	(91,876)	(4,508)	(20,167)
Fund balances, beginning of year	19,609	430,747	695,849	133,928	80,046	131,238
Fund balances, end of year	$ 21,835	$ 556,446	$ 712,215	$ 42,052	$ 75,538	$ 111,071

Special Revenue Funds			Capital Projects Fund		
Juvenile Court Fund	DUI Court Supervisor Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 265,161	$ -	$ -	$ 265,161
-	26,556	-	-	-	191,833
21,987	41,908	-	214,587	-	915,789
-	513	-	-	3,427,297	6,989,349
96	124	-	1,077	13,018	16,706
-	-	-	-	-	16,539
-	5,977	-	-	-	15,624
22,083	75,078	265,161	215,664	3,440,315	8,411,001
19,834	56,136	-	-	-	573,215
-	5,353	-	-	-	4,071,268
-	-	265,161	-	21,789	286,950
-	-	-	-	3,923,145	3,923,145
19,834	61,489	265,161	-	3,944,934	8,854,578
2,249	13,589	-	215,664	(504,619)	(443,577)
-	-	-	-	-	23,000
-	-	-	-	-	175,200
-	-	-	(300,000)	(45,347)	(345,347)
-	-	-	(300,000)	(45,347)	(147,147)
2,249	13,589	-	(84,336)	(549,966)	(590,724)
45,185	55,334	-	408,162	6,325,997	8,326,095
$ 47,434	$ 68,923	$ -	$ 323,826	$ 5,776,031	$ 7,735,371

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 107,600	$ 108,007	$ 99,867	$ (8,140)
Fines and forfeitures	97,000	101,500	111,493	9,993
Total revenues	204,600	209,507	211,360	1,853
Expenditures:				
Current:				
Judicial	379,800	384,707	384,334	373
Total expenditures	379,800	384,707	384,334	373
Deficiency of revenues over expenditures	(175,200)	(175,200)	(172,974)	2,226
Other financing sources:				
Transfers in	175,200	175,200	175,200	-
Total other financing sources	175,200	175,200	175,200	-
Net changes in fund balances	-	-	2,226	2,226
Fund balances, beginning of year	19,609	19,609	19,609	-
Fund balances, end of year	$ 19,609	$ 19,609	$ 21,835	$ 2,226

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 27,800	$ 27,800	$ 65,410	$ 37,610
Fines and forfeitures	94,500	112,670	199,687	87,017
Interest income	-	-	1,029	1,029
Contributions	6,000	6,000	6,000	-
Total revenues	128,300	146,470	272,126	125,656
Expenditures:				
Current:				
Public safety	128,300	146,470	146,427	43
Total expenditures	128,300	146,470	146,427	43
Net changes in fund balances	-	-	125,699	125,699
Fund balances, beginning of year	430,747	430,747	430,747	-
Fund balances, end of year	$ 430,747	$ 430,747	$ 556,446	$ 125,699

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,637,500	$ 3,637,500	$ 3,561,539	$ (75,961)
Interest income	-	-	1,065	1,065
Miscellaneous	-	-	5,700	5,700
Total revenues	3,637,500	3,637,500	3,568,304	(69,196)
Expenditures:				
Current:				
Public safety	4,379,000	4,311,176	3,551,938	759,238
Total expenditures	4,379,000	4,311,176	3,551,938	759,238
Net changes in fund balances	(741,500)	(673,676)	16,366	690,042
Fund balances, beginning of year	695,849	695,849	695,849	-
Fund balances (deficit), end of year	$ (45,651)	$ 22,173	$ 712,215	$ 690,042

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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 250,000	$ 232,739	$ (17,261)
Interest income	-	-	219	219
Contributions	-	-	10,539	10,539
Miscellaneous	-	-	30	30
Total revenues	250,000	250,000	243,527	(6,473)
Expenditures:				
Current:				
Public safety	250,000	358,403	358,403	-
Total expenditures	250,000	358,403	358,403	-
Deficiency of revenues over expenditures	-	(108,403)	(114,876)	(6,473)
Other financing sources:				
Proceeds from sale of assets	-	-	23,000	23,000
Total other financing sources	-	-	23,000	23,000
Net changes in fund balances	-	(108,403)	(91,876)	16,527
Fund balances, beginning of year	133,928	133,928	133,928	-
Fund balances, end of year	$ 133,928	$ 25,525	$ 42,052	$ 16,527

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 2,500	$ 2,500	$ 4,639	$ 2,139
Total revenues	2,500	2,500	4,639	2,139
Expenditures:				
Current:				
Public safety	9,000	9,000	9,147	(147)
Total expenditures	9,000	9,000	9,147	(147)
Net changes in fund balances	(6,500)	(6,500)	(4,508)	1,992
Fund balances, beginning of year	80,046	80,046	80,046	-
Fund balances, end of year	$ 73,546	$ 73,546	$ 75,538	$ 1,992

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 81,000	$ 81,000	$ 88,749	$ 7,749
Interest income	100	100	78	(22)
Miscellaneous	21,700	21,700	3,917	(17,783)
Total revenues	102,800	102,800	92,744	(10,056)
Expenditures:				
Current:				
Judicial	255,800	234,037	112,911	121,126
Total expenditures	255,800	234,037	112,911	121,126
Net changes in fund balances	(153,000)	(131,237)	(20,167)	111,070
Fund balances, beginning of year	131,238	131,238	131,238	-
Fund balances (deficit), end of year	$ (21,762)	$ 1	$ 111,071	$ 111,070

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 20,400	$ 20,400	$ 21,987	$ 1,587
Interest income	-	-	96	96
Total revenues	20,400	20,400	22,083	1,683
Expenditures:				
Current:				
Judicial	20,400	20,400	19,834	566
Total expenditures	20,400	20,400	19,834	566
Net changes in fund balances	-	-	2,249	2,249
Fund balances, beginning of year	45,185	45,185	45,185	-
Fund balances, end of year	$ 45,185	$ 45,185	$ 47,434	$ 2,249

FORSYTH COUNTY, GEORGIA
DUI COURT SUPERVISOR

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 21,400	$ 12,735	$ 26,556	$ 13,821
Fines and forfeitures	45,000	45,000	41,908	(3,092)
Charges for services	-	-	513	513
Interest income	-	-	124	124
Miscellaneous	5,000	5,000	5,977	977
Total revenues	71,400	62,735	75,078	12,343
Expenditures:				
Current:				
Judicial	66,400	57,735	56,136	1,599
Public safety	5,000	5,000	5,353	(353)
Total expenditures	71,400	62,735	61,489	1,246
Net changes in fund balances	-	-	13,589	13,589
Fund balances, beginning of year	55,334	55,334	55,334	-
Fund balances, end of year	$ 55,334	$ 55,334	$ 68,923	$ 13,589

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 215,000	$ 265,162	$ 265,161	$ (1)
Total revenues	215,000	265,162	265,161	(1)
Expenditures:				
Current:				
Housing and development	215,000	265,162	265,161	1
Total expenditures	215,000	265,162	265,161	1
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, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 8,034,769	$ 8,034,769	$ 8,197,399	$ 162,630
Investment income	62,000	62,000	51,288	(10,712)
Miscellaneous	-	-	38,680	38,680
Total revenues	8,096,769	8,096,769	8,287,367	190,598
Expenditures:				
Current:				
General government	206,500	218,843	218,843	-
Debt service:				
Principal	11,750,000	11,750,000	11,750,000	-
Interest	6,011,619	6,073,665	6,073,485	180
Total expenditures	17,968,119	18,042,508	18,042,328	180
Deficiency of revenues over expenditures	(9,871,350)	(9,945,739)	(9,754,961)	190,778
Other financing sources (uses):				
Payments to escrow agent	-	(20,682,459)	(20,682,459)	-
Issuance of long term debt	-	20,694,802	20,960,000	265,198
Transfers in	9,751,350	9,751,350	9,655,000	(96,350)
Total other financing sources (uses)	9,751,350	9,763,693	9,932,541	168,848
Net changes in fund balances	(120,000)	(182,046)	177,580	359,626
Fund balances, beginning of year	29,940,642	29,940,642	29,940,642	-
Fund balances, end of year	$ 29,820,642	$ 29,758,596	$ 30,118,222	$ 359,626

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V - 2003 SPLOST					
Roads, streets and bridges	$ 99,100,000	$ 96,831,374	$ 96,798,001	$ 16,773	$ 96,814,774
Parks and recreation	12,250,000	8,003,202	7,928,569	74,633	8,003,202
Library facilities	4,762,000	4,128,916	4,128,916	-	4,128,916
Cultural facilities	400,000	233,990	233,990	-	233,990
Public building projects	5,500,000	2,718,845	2,718,845	-	2,718,845
Public safety improvements	18,580,000	17,800,329	17,800,329	-	17,800,329
Payments to City of Cumming	19,400,000	21,884,287	21,884,287	-	21,884,287
Total 2003 SPLOST	$ 159,992,000	$ 151,600,943	$ 151,492,937	$ 91,406	$ 151,584,343
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 108,600,000	$ 89,595,000	$ 58,900,672 (1)	$ 15,249,935	$ 74,150,607
Public safety facilities	17,800,000	14,685,000	569,453	1,834,835	2,404,288
Park and recreation facilities	13,500,000	11,137,500	3,020,088 (2)	1,376,998	4,397,086
Library facilities	7,200,000	5,940,000	-	566,314	566,314
Cultural facilities	6,000,000	4,950,000	4,188,835	312,696	4,501,531
Payments to the City of Cumming	6,900,000	5,692,500	4,106,769	1,321,784	5,428,553
Total 2008 SPLOST	$ 160,000,000	$ 132,000,000	$ 70,785,817	$ 20,662,562	$ 91,448,379
SPLOST VII - 2013 SPLOST					
Courthouse and Jail Expansion	$ 100,000,000	$ 100,000,000	$ -	$ 2,531,858	$ 2,531,858
Road, street, bridges and sidewalks	76,925,025	76,925,025	-	-	-
Animal Shelter	2,999,975	2,999,975	-	149,223	149,223
Libraries	2,800,000	2,800,000	-	-	-
Public Safety Improvements	3,900,000	3,900,000	-	-	-
Emergency Water Generator	1,000,000	1,000,000	-	-	-
Payments to the City of Cumming	12,375,000	12,375,000	-	-	-
Total 2013 SPLOST	$ 200,000,000	$ 200,000,000	$ -	$ 2,681,081	$ 2,681,081
Principal payments made on SPLOST VI bonds used for construction of assets in prior years				9,432,599	
				$ 32,867,648	

(1) The beginning balance was restated to remove principal payments made on SPLOST VI bonds which were reported as expenditures as the assets were being constructed with the bond proceeds. The interest payments made on the bonds continues to remain an expenditures reported on the SPLOST schedule.

(2) The 2009 and 2010 bond payments were incorrectly reported as Park and Recreation expenditures; however the bonds were issued for the sole purpose of funding Road, Street, Bridge and Sidewalk projects and expenditures should have been reported appropriately. The amounts reclassified were offset by principal debt service payments as noted in (1) above.

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 POSITION
INTERNAL SERVICE FUNDS

DECEMBER 31, 2012

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
ASSETS				
Current assets:				
Cash	$ 2,137,083	$ 1,287,082	$ -	$ 1,759,860
Investments	-	2,310,411	-	-
Receivables (net of allowance for uncollectibles)	956	8,312	-	-
Inventories	-	-	-	-
Prepaid items	290,053	-	-	287,483
Total current assets	2,428,092	3,605,805	-	2,047,343
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	-	-	-	143,487
Capital assets, being depreciated	-	-	-	2,898,466
Less accumulated depreciation	-	-	-	(1,845,558)
Total capital assets, net of accumulated depreciation	-	-	-	1,196,395
Total assets	2,428,092	3,605,805	-	3,243,738
LIABILITIES				
Current liabilities:				
Accounts payable	21,753	101,090	-	82,353
Accrued interest	-	-	-	7,165
Compensated absences, due within one year	5,223	-	-	71,208
Claims payable, due within one year	525,537	778,228	-	-
Capital leases payable, current	-	-	-	34,383
Total current liabilities	552,513	879,318	-	195,109
Long-term liabilities:				
Advance from other funds	3,516	-	-	-
Compensated absences, due in more than one year	1,306	-	-	17,802
Claims payable, long term	184,463	741,772	-	-
Capital leases payable, long term	-	-	-	192,481
Total long-term liabilities	189,285	741,772	-	210,283
Total liabilities	741,798	1,621,090	-	405,392
NET POSITION				
Net investment in capital assets	-	-	-	969,531
Unrestricted	1,686,294	1,984,715	-	1,868,815
Total net position	$ 1,686,294	$ 1,984,715	$ -	$ 2,838,346

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 221,271	$ -	$ 157,355	$ -	$ 5,562,651
-	-	-	-	2,310,411
-	-	-	-	9,268
-	-	252,916	-	252,916
10,683	-	-	-	588,219
231,954	-	410,271	-	8,723,465
-	-	-	-	143,487
394,325	-	659,187	-	3,951,978
(211,924)	-	(463,954)	-	(2,521,436)
182,401	-	195,233	-	1,574,029
414,355	-	605,504	-	10,297,494
9,093	-	4,098	-	218,387
-	-	-	-	7,165
1,727	-	67,306	-	145,464
-	-	-	-	1,303,765
-	-	-	-	34,383
10,820	-	71,404	-	1,709,164
-	-	3,608	-	7,124
432	-	16,827	-	36,367
-	-	-	-	926,235
-	-	-	-	192,481
432	-	20,435	-	1,162,207
11,252	-	91,839	-	2,871,371
182,401	-	195,233	-	1,347,165
220,702	-	318,432	-	6,078,958
$ 403,103	$ -	$ 513,665	$ -	$ 7,426,123

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Risk Management Fund	Workers' Compensation Fund	Administrative Services Fund	Information Technology Fund
OPERATING REVENUES				
Charges for services	$ 1,297,300	$ 1,006,200	$ 3,956,700	$ 4,153,550
Insurance recoveries	47,668	114,198	-	-
Other operating income	1,582	-	50,203	-
Total operating revenues	1,346,550	1,120,398	4,006,903	4,153,550
OPERATING EXPENSES				
Salaries and benefits	179,176	-	2,107,597	1,344,825
Supplies and maintenance	-	-	1,148,606	1,544,498
Claims paid	500,249	783,288	-	-
Insurance premiums	620,191	382,236	-	-
General and administrative	47,050	-	-	-
Depreciation expense	-	-	34,912	339,442
Total operating expenses	1,346,666	1,165,524	3,291,115	3,228,765
Operating income (loss)	(116)	(45,126)	715,788	924,785
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	-	9,863	12	-
Interest expense	-	-	-	(17,019)
Loss on disposal of assets	-	-	(69,828)	-
Total nonoperating revenues (expenses)	-	9,863	(69,816)	(17,019)
INCOME BEFORE TRANSFERS	(116)	(35,263)	645,972	907,766
Transfers in	-	13,341	-	-
Transfers out	-	-	(1,161,409)	-
Total transfers	-	13,341	(1,161,409)	-
Change in net position	(116)	(21,922)	(515,437)	907,766
NET POSITION, beginning of year	1,686,410	2,006,637	515,437	1,930,580
NET POSITION, end of year	$ 1,686,294	$ 1,984,715	$ -	$ 2,838,346

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 672,200	$ 1,306,348	$ 1,171,400	$ 3,547,400	$ 17,111,098
-	-	-	-	161,866
-	7,965	247	191,036	251,033
672,200	1,314,313	1,171,647	3,738,436	17,523,997
92,628	884,550	967,457	960,045	6,536,278
536,504	251,651	190,902	2,604,336	6,276,497
-	-	-	-	1,283,537
-	-	-	-	1,002,427
-	-	-	-	47,050
37,791	83,447	44,596	91,582	631,770
666,923	1,219,648	1,202,955	3,655,963	15,777,559
5,277	94,665	(31,308)	82,473	1,746,438
-	-	-	259	10,134
-	-	-	-	(17,019)
-	(181,184)	-	(892,633)	(1,143,645)
-	(181,184)	-	(892,374)	(1,150,530)
5,277	(86,519)	(31,308)	(809,901)	595,908
-	-	-	-	13,341
-	(595,521)	-	(422,837)	(2,179,767)
-	(595,521)	-	(422,837)	(2,166,426)
5,277	(682,040)	(31,308)	(1,232,738)	(1,570,518)
397,826	682,040	544,973	1,232,738	8,996,641
$ 403,103	$ -	$ 513,665	$ -	$ 7,426,123

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Risk Management Fund	Workers Compensation Fund	Administrative Services Fund	Information Technology Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,345,594	$ 1,128,143	$ 4,020,538	$ 4,153,550
Payments to suppliers and service providers	(1,202,174)	(954,710)	(1,146,371)	(1,583,549)
Payments to employees	(175,228)	-	(2,316,536)	(1,336,510)
Net cash provided (used) by operating activities	(31,808)	173,433	557,631	1,233,491
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	-	386,183	-	-
Interest received	-	14,377	12	-
Net cash provided (used) by investing activities	-	400,560	12	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	(48,737)	(646,960)
Principal payments on capital leases	-	-	-	(33,128)
Interest and fiscal charges paid	-	-	-	(9,854)
Intergovernmental grant	-	-	-	-
Net cash used by capital and related financing activities	-	-	(48,737)	(689,942)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	(3,515)	-	-	-
Transfers in	-	13,341	-	-
Transfers out	-	-	(1,161,409)	-
Net cash provided (used) by noncapital financing activities	(3,515)	13,341	(1,161,409)	-
Net increase (decrease) in cash and cash equivalents	(35,323)	587,334	(652,503)	543,549
Cash and cash equivalents:				
Beginning of year	2,172,406	699,748	652,503	1,216,311
End of year	$ 2,137,083	$ 1,287,082	$ -	$ 1,759,860
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (116)	$ (45,126)	$ 715,788	$ 924,785
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	34,912	339,442
Decrease (increase) in accounts receivable	(956)	7,745	13,635	-
Decrease in due from other funds	-	-	-	-
Decrease (increase) in inventory	-	-	18,576	-
Decrease (increase) in prepaids	(6,799)	-	30,748	(52,593)
Increase (decrease) in accounts payable	2,115	20,814	(47,089)	13,542
Decrease in unearned revenue	-	-	-	-
Increase (decrease) in compensated absences	3,948	-	(208,939)	8,315
Increase (decrease) in claims payable	(30,000)	190,000	-	-
Net cash provided (used) by operating activities	$ (31,808)	$ 173,433	$ 557,631	$ 1,233,491
Schedule of non-cash capital and related financing activities:				
Equipment acquired through capital lease	$ -	$ -	$ -	$ 259,992

Tele-Communications Fund	GIS System Fund	Fleet Maintenance Fund	Building Occupancy Fund	Total
$ 672,200	$ 1,344,313	$ 1,171,647	$ 3,738,061	$ 17,574,046
(538,225)	(255,136)	(232,068)	(2,789,090)	(8,701,323)
(92,188)	(930,763)	(959,353)	(1,019,988)	(6,830,566)
41,787	158,414	(19,774)	(71,017)	2,042,157
-	-	-	-	386,183
-	-	-	260	14,649
-	-	-	260	400,832
-	(116,671)	(18,101)	(34,791)	(865,260)
-	-	-	-	(33,128)
-	-	-	-	(9,854)
-	-	-	7,804	7,804
-	(116,671)	(18,101)	(26,987)	(900,438)
-	-	(3,609)	(8,867)	(15,991)
-	-	-	-	13,341
-	(595,521)	-	(422,837)	(2,179,767)
-	(595,521)	(3,609)	(431,704)	(2,182,417)
41,787	(553,778)	(41,484)	(529,448)	(639,866)
179,484	553,778	198,839	529,448	6,202,517
$ 221,271	$ -	$ 157,355	$ -	$ 5,562,651
$ 5,277	$ 94,665	$ (31,308)	$ 82,473	$ 1,746,438
37,791	83,447	44,596	91,582	631,770
-	15,000	-	-	35,424
-	15,000	-	-	15,000
-	-	(32,222)	-	(13,646)
(10,683)	-	-	-	(39,327)
8,962	(3,485)	(8,944)	(184,754)	(198,839)
-	-	-	(375)	(375)
440	(46,213)	8,104	(59,943)	(294,288)
-	-	-	-	160,000
$ 41,787	$ 158,414	$ (19,774)	$ (71,017)	$ 2,042,157
$ -	$ -	$ -	$ -	$ 259,992

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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, 2012

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 1,725,811	$ 254,030	$ 4,186,164	$ 27,374	$ 93,873	$ 74	$ 6,287,326
Other receivables	4,394	-	-	-	-	-	4,394
Taxes receivable	6,961,925	-	-	-	-	-	6,961,925
Total assets	$ 8,692,130	$ 254,030	$ 4,186,164	$ 27,374	$ 93,873	$ 74	$ 13,253,645
LIABILITIES							
Due to others	$ 1,730,205	$ 254,030	$ 4,186,164	$ 27,374	$ 93,873	$ 74	$ 6,291,720
Uncollected taxes	6,961,925	-	-	-	-	-	6,961,925
Total liabilities	$ 8,692,130	$ 254,030	$ 4,186,164	$ 27,374	$ 93,873	$ 74	$ 13,253,645

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
Tax Commissioner				
ASSETS				
Cash	$ 1,807,599	$ 219,986,445	$ (220,068,233)	$ 1,725,811
Other receivables	16,833	4,394	(16,833)	4,394
Taxes receivable	8,062,355	194,356,427	(195,456,857)	6,961,925
Total assets	$ 9,886,787	$ 414,347,266	$ (415,541,923)	$ 8,692,130
LIABILITIES				
Due to others	$ 1,824,432	$ 219,990,839	$ (220,085,066)	$ 1,730,205
Uncollected taxes	8,062,355	194,356,427	(195,456,857)	6,961,925
Total liabilities	$ 9,886,787	$ 414,347,266	$ (415,541,923)	$ 8,692,130
Sheriff				
ASSETS				
Cash	$ 264,276	$ 1,789,657	$ (1,799,903)	$ 254,030
Total assets	$ 264,276	$ 1,789,657	$ (1,799,903)	$ 254,030
LIABILITIES				
Due to others	$ 264,276	$ 1,789,657	$ (1,799,903)	$ 254,030
Total liabilities	$ 264,276	$ 1,789,657	$ (1,799,903)	$ 254,030
Clerk of Superior Court				
ASSETS				
Cash	$ 3,455,575	$ 17,058,760	$ (16,328,171)	$ 4,186,164
Total assets	$ 3,455,575	$ 17,058,760	$ (16,328,171)	$ 4,186,164
LIABILITIES				
Due to others	$ 3,455,575	$ 17,058,760	$ (16,328,171)	$ 4,186,164
Total liabilities	$ 3,455,575	$ 17,058,760	$ (16,328,171)	$ 4,186,164

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance January 1, 2012	Increases	Decreases	Balance December 31, 2012
Probate Court				
ASSETS				
Cash	$ 12,250	$ 676,549	$ (661,425)	$ 27,374
Total assets	$ 12,250	$ 676,549	$ (661,425)	$ 27,374
LIABILITIES				
Due to others	$ 12,250	$ 676,549	$ (661,425)	$ 27,374
Total liabilities	$ 12,250	$ 676,549	$ (661,425)	$ 27,374
Magistrate Court				
ASSETS				
Cash	$ 65,959	$ 930,645	$ (902,731)	$ 93,873
Total assets	$ 65,959	$ 930,645	$ (902,731)	$ 93,873
LIABILITIES				
Due to others	$ 65,959	$ 930,645	$ (902,731)	$ 93,873
Total liabilities	$ 65,959	$ 930,645	$ (902,731)	$ 93,873
Juvenile Court				
ASSETS				
Cash	$ 2,150	$ 31,748	$ (33,824)	$ 74
Total assets	$ 2,150	$ 31,748	$ (33,824)	$ 74
LIABILITIES				
Due to others	$ 2,150	$ 31,748	$ (33,824)	$ 74
Total liabilities	$ 2,150	$ 31,748	$ (33,824)	$ 74
Total Agency Funds				
ASSETS				
Cash	$ 5,607,809	$ 240,473,804	$ (239,794,287)	$ 6,287,326
Other receivables	16,833	4,394	(16,833)	4,394
Taxes receivable	8,062,355	194,356,427	(195,456,857)	6,961,925
Total assets	$ 13,686,997	$ 434,834,625	$ (435,267,977)	$ 13,253,645
LIABILITIES				
Due to others	$ 5,624,642	$ 240,478,198	$ (239,811,120)	$ 6,291,720
Uncollected taxes	8,062,355	194,356,427	(195,456,857)	6,961,925
Total liabilities	$ 13,686,997	$ 434,834,625	$ (435,267,977)	$ 13,253,645

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 95-102

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 103-109

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

Debt Capacity 110-114

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 ..... 115 and 116

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 117-120

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.

FORSYTH COUNTY, GEORGIA

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 121,254	$ 171,871	$ 225,821	$ 561,438 (1)	$ 657,742	$ 699,078	$ 693,335	$ 697,529	$ 756,006	$ 754,041
Restricted:										
Debt service	-	2,811	3,998	4,852	6,498	7,446	23,355	28,451	29,941	30,184
Fire services	-	352	134	-	-	-	-	-	-	-
Capital projects	-	9,008	12,166	18,754	10,921	20,312	31,777	35,147	47,647	41,721
Impact fee programs	-	-	-	-	12,429 (2)	12,343	-	-	-	-
Public safety programs	-	6,062	3,727	-	1,391	1,851	-	-	6,796	8,240
Judicial programs	-	-	250	268	133	46	-	-	251	249
Jail construction	-	-	-	-	-	-	-	-	408	324
Grant projects	-	-	-	-	-	-	-	-	56	12
Unrestricted:	63,743	55,995	63,187	64,310	35,991	23,912	28,316	45,012	36,368	47,822
Total governmental activities net position	$ 184,997	$ 246,099	$ 309,283	$ 649,622	$ 725,105	$ 764,988	$ 776,783	$ 806,139	$ 877,473	$ 882,593
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 126,946	$ 149,348	$ 178,264	$ 212,336	$ 234,720	$ 236,780	$ 236,145	$ 275,887	$ 281,932	$ 289,344
Restricted	13,507	880	2,597	2,695	1,738	2,418	4,075	4,142	4,207	4,259
Unrestricted	1,123	25,238	31,506	49,403	59,703	57,755	45,253	35,317	41,135	43,590
Total business-type activities net position	$ 141,576	$ 175,466	$ 212,367	$ 264,434	$ 296,161	$ 296,953	$ 285,473	$ 315,346	$ 327,274	$ 337,193
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 248,200	$ 321,219	$ 404,085	$ 773,774	$ 892,462	$ 935,858	$ 929,480	$ 973,416	$ 1,037,938	$ 1,043,385
Restricted	13,507	19,113	22,872	26,569	33,110	44,416	59,207	67,740	89,306	84,990
Unrestricted	64,866	81,233	94,693	113,713	95,694	81,667	73,569	80,329	77,503	91,412
Total primary government net position	$ 326,573	$ 421,565	$ 521,650	$ 914,056	$ 1,021,266	$ 1,061,941	$ 1,062,256	$ 1,121,485	$ 1,204,747	$ 1,219,787

(1) Retroactive infrastructure was added in 2006.
(2) Impact fee programs are included in capital projects in prior years.

From: Statement of Net Position

FORSYTH COUNTY, GEORGIA

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental activities:										
General Government	$ 6,348	$ 7,911	$ 5,636	$ 11,914	$ 37,603	$ 29,262	$ 17,246 (1)	$ 14,181	$ 12,658	$ 13,558
Judicial	7,178	7,728	8,141	9,543	10,678	11,679	11,618	11,271	11,276	12,536
Public Safety	27,752	32,055	36,439	43,327	50,289	62,991	61,072	57,674	59,341	63,465
Public Works	10,833	13,051	16,866	27,449	9,289	16,198	15,913	15,791	15,133	21,510
Health and Welfare	1,474	1,645	1,736	2,138	2,409	3,059	2,483	2,529	3,108	3,131
Culture and Recreation	7,482	8,692	10,071	10,684	12,081	13,568	15,689	13,524	12,877	15,332
Housing and Development	3,195	3,479	4,107	5,094	6,759	7,168	5,717	4,460	4,197	4,466
Interest and paying agent fees	1,721	1,497	1,809	1,763	1,828	2,043	6,400 (2)	6,360	6,207	5,860
Total governmental activities expenses	65,983	76,058	84,805	111,912	130,936	145,968	136,138	125,790	124,797	139,858
Business-type activities:										
Water and sewer	19,523	20,602	24,629	48,518	39,617	38,322	32,521	32,283	31,457	34,220
Solid waste	408	429	1,571	835	557	985	599	671	789	705
Total business-type activities expenses	19,931	21,031	26,200	49,353	40,174	39,307	33,120	32,954	32,246	34,925
Total primary government expenses	$ 85,914	$ 97,089	$ 111,005	$ 161,265	$ 171,110	$ 185,275	$ 169,258	$ 158,744	$ 157,043	$ 174,783
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	$ 3,554	$ 4,524	$ 545	$ 464	$ 14,886	$ 11,699	$ 6,472	$ 5,896	$ 6,232	$ 6,027
Judicial	4,663	5,726	3,843	3,547	4,375	4,184	4,553	4,367	4,487	4,566
Public Safety	2,610	2,885	4,837	5,390	6,185	6,280	5,194	5,221	4,868	4,699
Public Works	10	164	113	100	20	181	1,132	1,938	2,101	4,167
Health and Welfare	-	-	-	2	8	26	67	69	92	144
Culture and Recreation	937	999	5,750	5,981	1,534	1,816	1,868	1,849	1,895	2,266
Housing and Development	4,901	5,179	6,796	7,456	364	381	2,588	2,800	2,845	3,764
Total charges for services	16,675	19,477	21,884	22,940	27,372	24,567	21,874	22,140	22,520	25,633
Operating grants and contributions	1,076	1,348	1,611	1,756	1,778	1,784	3,084	1,347	1,283	1,343
Capital grants and contributions	15,180	26,101	19,253	46,266	58,620	43,006	3,967 (3)	6,200	35,503	5,365
Total governmental activities program revenues	32,931	46,926	42,748	70,962	87,770	69,357	28,925	29,687	59,306	32,341
Business-type activities:										
Charges for services:										
Water and sewer	13,453	15,570	19,129	25,721	41,677	20,150	28,408	30,156	32,179	32,521
Solid waste	499	475	637	684	608	929	1,492	1,227	1,803	1,461
Total charges for services	13,952	16,045	19,766	26,405	42,285	21,079	29,900	31,383	33,982	33,982
Operating grants and contributions	31	-	-	8	8	12	-	-	-	-
Capital grants and contributions	16,220	39,919	42,652	50,472	26,100	15,548	5,565	28,019	9,695	13,088
Total business-type activities program revenues	30,203	55,964	62,418	76,885	68,393	36,639	35,465	59,402	43,677	47,070
Total primary government program revenues	$ 63,134	$ 102,890	$ 105,166	$ 147,847	$ 156,163	$ 105,996	$ 64,390	$ 89,089	$ 102,983	$ 79,411

(continued)

FORSYTH COUNTY, GEORGIA

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/revenue										
Governmental activities	$ (33,052)	$ (29,132)	$ (42,057)	$ (40,950)	$ (43,166)	$ (76,611)	$ (107,213)	$ (96,103)	$ (65,491)	$ (107,517)
Business-type activities	10,272	34,933	36,218	27,532	28,219	(2,668)	2,345	26,448	11,431	12,145
Total primary government net expense	$ (22,780)	$ 5,801	$ (5,839)	$ (13,418)	$ (14,947)	$ (79,279)	$ (104,868)	$ (69,655)	$ (54,060)	$ (95,372)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	$ 22,187	$ 33,523	$ 38,979	$ 42,940	$ 42,310	$ 49,433	$ 63,209	$ 66,473	$ 70,006	$ 67,763
Sales Taxes	38,055	43,890	51,791	59,202	59,680	54,334	46,539	50,635	54,243	57,422
Insurance premium taxes	3,591	3,885	4,149	4,348	4,572	4,683	4,616	4,489	7,114	7,600
Real estate and recording taxes	3,317	2,080	3,238	4,183	2,885	2,012	-	-	-	-
Other taxes (old)	2,060	2,252	2,439	2,830	2,817	2,971	-	-	-	-
Other taxes	5,377	4,332	5,677	7,013	5,702	4,983	2,810	2,898	3,154	3,489
Total taxes	69,210	85,630	100,596	113,503	112,264	113,433	117,174	124,495	134,517	136,274
Unrestricted grants and contributions	920	1,427	1,480	1,493	1,467	1,667	-	-	-	-
Investment earnings	1,318	1,679	2,861	4,937	5,014	2,684	1,069	1,149	980	749
Miscellaneous	165	(78)	233	98	-	-	2,673	520	1,327	784
Gain on sale of capital assets	(287)	-	69	119	56	103	-	-	-	-
Transfers	(13,818)	1,577	-	(434)	-	-	-	-	-	500
Total governmental activities	57,508	90,235	105,240	119,716	118,801	117,887	120,916	126,164	136,824	138,307
Business-type activities:										
Investment earnings	851	533	684	2,279	3,509	3,460	594	777	497	231
Miscellaneous	-	-	-	-	-	-	-	2	-	-
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	239
Gain on sale of capital assets	(120)	-	-	-	-	-	-	-	-	-
Transfers	13,818	(1,577)	-	434	-	-	-	-	-	(500)
Total business-type activities	14,549	(1,044)	684	2,713	3,509	3,460	594	779	497	(30)
Total primary government	$ 72,057	$ 89,191	$ 105,924	$ 122,429	$ 122,310	$ 121,347	$ 121,510	$ 126,943	$ 137,321	$ 138,277
CHANGE IN NET POSITION										
Governmental activities	$ 24,456	$ 61,103	$ 63,182	$ 78,766	$ 75,635	$ 41,276	$ 13,703 (3)	$ 30,061	$ 71,333	$ 30,790
Business-type activities	24,821	33,889	36,902	30,245	31,728	792	2,939	27,227	11,928	12,115
Total primary government	$ 49,277	$ 94,992	$ 100,085	$ 109,011	$ 107,363	$ 42,068	$ 16,642	$ 57,288	$ 83,261	$ 42,905

(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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 (3)	2012
General fund										
Reserved	$ 47	$ -	$ 808	$ 292	$ 651	$ 173	$ 14,736 (1)	$ 22,925	$ -	$ -
Unreserved	35,036	42,789	48,238	40,857	33,083	27,026	- (1)	4,548	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	-	5	161
Inventory	-	-	-	-	-	-	-	-	275	374
Restricted:										
Grant projects	-	-	-	-	-	-	-	-	48	12
Committed:										
Tree replacement	-	-	-	-	-	-	-	-	23	18
Paving expenditures	-	-	-	-	-	-	-	-	222	526
Assigned:										
Use of fund balance in subsequent budget	-	-	-	-	-	-	-	-	1,046	54
Use of fund balance for City road improvements	-	-	-	-	-	-	-	-	-	3,500
Professional services	-	-	-	-	-	-	-	-	42	136
Capital projects	-	-	-	-	-	-	-	-	747	444
Supplies and materials	-	-	-	-	-	-	-	-	5	19
Health insurance administration	-	-	-	-	-	-	-	-	-	69
Unassigned	-	-	-	-	-	-	-	-	35,483	38,980
Total general fund	35,083	42,789	49,046	41,149	33,734	27,199	14,736	27,473	37,896	44,293

Continued

FORSYTH COUNTY, GEORGIA

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

	2003	2004	2005	2006	2007	2008	2009	2010	2010 (3)	2012
All other governmental funds										
Reserved	$ 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	6,025	6,110	3,977	1,526	669	1,883	1,935	4,988	-	-
Debt service funds			-	-	-	-	-	-	-	-
Capital projects funds	12,714	9,010	1,048	6,984	(8,597)	(7,123)	417	184	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	-	-	6
Inventory	-	-	-	-	-	-	-	-	387	369
Long-term advances	-	-	-	-	-	-	-	-	97	48
Restricted:										
Judicial services	-	-	-	-	-	-	-	-	251	249
Public safety services	-	-	-	-	-	-	-	-	6,796	8,103
Grant projects	-	-	-	-	-	-	-	-	8	-
Capital projects	-	-	-	-	-	-	-	-	59,971	60,247
Jail construction and equipping	-	-	-	-	-	-	-	-	408	324
Debt service	-	-	-	-	-	-	-	-	29,941	30,118
Assigned for capital projects	-	-	-	-	-	-	-	-	-	209
Unassigned	-	-	-	-	-	-	-	-	-	1,923
Total all other governmental funds	20,536	19,995	21,323	32,660	22,433	122,259	116,707	102,704	97,859	101,596
Total all funds	$ 55,619	$ 62,784	$ 70,369	$ 73,809	$ 56,167	$ 149,458	$ 131,443	$ 130,177	$ 135,755	$ 145,889

(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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes (see table 5)	$ 68,226	$ 85,169	$ 97,109	$ 109,431	$ 112,195	$ 112,641	$ 116,381	$ 124,817	$ 134,633	$ 136,607
Licenses and permits	5,251	10,110	13,318	13,902	11,023	6,818	3,784	4,074	4,365	5,280
Intergovernmental	4,300	5,611	5,170	16,589	6,506	7,495	5,248	2,882	4,231	3,326
Fines and forfeitures	2,616	3,110	2,946	4,049	3,376	4,719	4,089	3,930	3,329	3,349
Charges for services	8,657	9,458	9,190	10,019	12,012	12,996	13,751	14,065	14,756	16,934
Contributions and donations	1,207	688	273	1,603	9,180	3,324	140	82	69	71
Investment earnings	1,102	1,475	2,550	4,329	3,936	2,459	1,377	1,192	1,004	778
Miscellaneous	267	92	492	450	505	484	2,743	1,074	1,527	854
Total revenues	91,626	115,713	131,048	160,372	158,733	150,935	147,513	152,116	163,914	167,199
EXPENDITURES										
General government	5,801	6,933	7,365	8,065	10,328	13,396	15,216	10,742	11,075	11,294
Judicial	7,048	7,755	8,145	9,541	10,183	10,539	11,107	10,942	11,599	12,288
Public safety	26,850	31,785	36,748	43,559	48,417	54,340	56,003	54,706	59,103	59,578
Public works	6,486	6,547	7,964	9,160	7,701	6,610	6,616	5,473	5,989	12,374
Public health and welfare	1,389	1,574	1,648	2,138	2,307	2,678	2,410	2,499	3,051	3,094
Recreation and culture	7,368	8,277	9,575	10,671	11,734	12,022	12,095	11,563	12,245	14,152
Housing and development	3,478	3,563	4,245	4,954	6,389	6,311	5,478	4,356	4,324	4,691
Intergovernmental	3,085	3,617	4,182	10,796	13,145	13,889	-	1,165	1,250	1,322
Capital Outlay	18,598	36,089	41,223	52,398	63,472	56,110	54,731	34,578	32,290	23,014
Principal on long-term debt	30	1,078	693	888	1,098	1,343	1,405	10,070	10,870	11,750
Interest and paying agent fees	1,913	1,126	1,643	1,620	1,576	1,518	5,670	7,198	6,736	6,480
Bond issuance costs	(2)	429	-	-	-	834	-	-	-	-
Landfill closure/postclosure costs	48	-	-	-	-	-	-	-	-	-
Total expenditures	82,092	108,773	123,431	153,790	176,350	179,590	170,731	153,292	158,532	160,037
Excess of revenues over (under) expenditures	9,534	6,940	7,617	6,582	(17,617)	(28,655)	(23,218)	(1,176)	5,382	7,162

(continued)

FORSYTH COUNTY, GEORGIA

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
OTHER FINANCING SOURCES (USES)										
Sale of County Property	34	-	69	275	56	290	89	32	196	28
Transfers in	5,194	5,278	7,771	20,631	17,268	6,017	12,023	20,668	11,008	20,361
Transfers out	(19,364)	(5,482)	(7,871)	(24,048)	(17,196)	(5,691)	(12,023)	(20,668)	(11,008)	(17,695)
Proceeds from bond refunding	-	29,045	-	-	-	-	-	-	-	20,960
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)	-	-	-	-	-	-	-	(20,682)
Capital leases	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(13,094)	225	(31)	(3,142)	128	121,946	89	32	196	2,972
Net change in fund balances	$ (3,560)	$ 7,165	$ 7,586	$ 3,440	$ (17,489)	$ 93,291	$ (23,129)	$ (1,144)	$ 5,578	$ 10,134
Debt service as a percentage of noncapital expenditures	3.1%	3.6%	2.8%	2.5%	2.4%	3.0%	6.1%	14.6%	14.3%	13.6%

FORSYTH COUNTY, GEORGIA

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

Fiscal Year	Property Taxes	Sales Taxes	Insurance Premium Tax	Other Taxes	Total
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
2012	68,095	57,422	7,600	3,490	136,607

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				
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%
2013	2012	6,090,993	205,235	1,245,072	116,372	617,557	589,202	13,386	49,356	520,316	371,355	8,035,502	7.656	20,088,755	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
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
2013	2012	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.200	26.574

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, 2012
(amounts expressed in thousands)

Taxpayer	Type of Business	2012 Taxable Assessed Value	2012 Rank	2012 Percentage of Total Taxable Assessed Value	2003 Taxable Assessed Value	2003 Rank	2003 Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 50,779	1	0.63%	$ 36,994	1	0.72%
Georgia Transmission Corporation	Power Transfer Utility	27,119	2	0.34%	15,872	4	0.31%
United Parcel Service	Delivery Service	18,125	3	0.23%	-	-	-
Avenue Forsyth, LLC	Shopping Complex	15,718	4	0.20%	18,642	2	0.36%
Scientific Games, Inc.	Printed Lottery Tickets	14,865	5	0.18%	-	-	-
Solvay Advanced Polymers, LLC	Plastic Manufacturer	12,232	6	0.15%	8,285	8	0.16%
Georgia Power Company	Utility Company	12,012	7	0.15%	8,116	10	0.16%
Bellsouth Communications	Telephone Utility	11,896	8	0.15%	16,510	3	0.32%
Atlanta Gas Light Co.	Gas Utility	10,537	9	0.13%	8,565	7	0.17%
Cole Mountain Cumming, LLC	Developer	9,870	10	0.12%	-	-	-
Pulte Homes Corp	Real Estate Development	-	-	-	13,635	5	0.26%
Castle Investment Co	Commercial Real Estate	-	-	-	9,184	6	0.18%
Windemere Aparatments, LLC	Real Estate Development	-	-	-	8,158	9	0.16%
Totals		$ 183,153		2.28%	$ 143,961		2.79%

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	
2004	2003	01/14/04	$ 31,488	$ 1,353	$ 692	$ 33,533	$ 17,958	57.03%	$ 15,573	$ 33,531	99.99%	$ 2
2005	2004	11/15/04	34,456	1,490	764	36,710	33,637	97.62%	3,071	36,708	99.99%	2
2006	2005	11/15/05	37,774	1,434	779	39,987	37,103	98.22%	2,878	39,981	99.98%	6
2007	2006	11/15/06	41,808	1,396	988	44,192	40,538	96.96%	3,636	44,174	99.96%	18
2008	2007	11/15/07	48,722	1,257	1,241	51,220	47,192	96.86%	4,002	51,194	99.95%	26
2009	2008	11/15/08	60,011	1,065	1,394	62,470	54,665	91.09%	7,666	62,331	99.78%	139
2010	2009	11/15/09	62,417	(584)	178	62,011	57,274	91.76%	3,957	61,231	98.74%	780
2011	2010	11/15/10	66,880	(795)	249	66,334	62,299	93.15%	3,769	66,068	99.60%	266
2012	2011	11/15/11	64,220	(683)	145	63,682	60,935	94.88%	2,215	63,150	99.16%	532
2013	2012	11/15/12	62,782	(692)	39	62,129	59,802	95.25%	-	59,802	96.25%	2,327

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2012 are recorded as revenues in the financial statements in 2013 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, 2012
(amounts expressed in thousands)

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	29,242,720	$ 120,199	0.58%
Truby Inc	Private Water System	21,934,350	82,588	0.40%
City of Cumming Utly Dept	Government	21,139,850	59,422	0.29%
A & A Water Company	Private Water System	16,473,000	65,526	0.31%
Carlyle Centennill LLC	Apartments	14,541,400	54,409	0.26%
Cousins Properties	Commercial Developer	11,792,040	47,215	0.23%
Pine Ridge Assoc LLC	Private Water System	11,555,700	44,122	0.21%
Summit Crossing Apartments	Apartments	10,562,200	42,442	0.20%
Scientific Games	Manufacturing	7,699,500	28,958	0.14%
Solvay Specialty Polymers USA LLC	Manufacturing	5,998,300	22,629	0.11%
All other customers			20,262,422	97.28%
Total Billing			$ 20,829,932	

FORSYTH COUNTY, GEORGIA

TOP 10 SEWER CUSTOMERS
December 31, 2012

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	27,660,170	$ 141,075	1.31%
Carlyle Centennill LLC	Apartments	14,541,400	70,620	0.66%
Cousins Properties	Commercial Developer	11,792,040	57,593	0.53%
Summit Crossing Apartments	Apartments	10,562,200	40,960	0.38%
Scientific Games	Manufacturing	7,699,500	37,506	0.35%
Wal-Mart	Retail	6,123,750	30,119	0.28%
Solvay Advanced Polymers	Manufacturing	5,998,300	29,272	0.27%
Amelia Bay	Manufacturing	4,869,100	21,159	0.20%
Westerra Winward	Office Bldgs	4,615,370	22,818	0.21%
Alta Johns Creek, LLC	Assisted Living	4,613,540	22,810	0.21%
All other customers			10,306,268	95.60%
Total Billing			$ 10,780,200	

FORSYTH COUNTY, GEORGIA

WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2012

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)
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	3.23%	1,274
2008	148,685	7,777	-	156,462	166,660	-	166,660	323,122	4.80%	2,018
2009	147,280	7,777	-	155,057	163,495	-	163,495	318,552	4.92%	1,825
2010	137,210	7,777	-	144,987	160,200	-	160,200	305,187	4.46%	1,705
2011	126,340	7,777	-	134,117	156,285	3,826	160,111	294,228	3.91%	1,618
2011	116,395	8,004	-	124,399	149,855	6,656	156,511	280,910	3.56%	1,495

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)
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
2012	116,395	30,118	86,277	0.43%	459

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, 2012
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 347,818	100.00%	$ 347,818
Forsyth County direct debt	124,399	100.00%	124,399
Total direct and overlapping debt	$ 472,217		$ 472,217

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)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed value of property	$ 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	$ 8,927,173
Debt limit (10% of total assessed value)	596,643	644,906	733,934	842,972	946,686	1,027,999	1,034,317	989,893	923,929	892,717
Amount of Debt applicable to limit:										
General obligation bonds	32,750	33,875	33,390	32,710	31,820	148,685	147,280	137,210	126,340	116,395
Less: Resources restricted to paying principal	(1,730)	(2,811)	(3,998)	(5,396)	(7,010)	(8,406)	(23,355)	(28,308)	(29,941)	(30,118)
Total net debt applicable to limit	31,020	31,064	29,392	27,314	24,810	140,279	123,925	108,902	96,399	86,277
Legal debt margin	$ 565,623	$ 613,842	$ 704,542	$ 815,658	$ 921,876	$ 887,720	$ 910,392	$ 880,991	$ 827,530	$ 806,441
Total net debt applicable to the limit as a percentage of debt limit	5.20%	4.82%	4.00%	3.24%	2.62%	13.65%	11.98%	11.00%	10.43%	9.66%

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	
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
2012	32,520,820	20,529,364	11,991,456	3,625,000	5,912,317	9,537,317	1.26

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

(1) Include operating revenues plus a portion of water and sewer connection fees in excess of cost which is shown as contributions in the financial statements

(2) Total operating expenses exclusive of depreciation. Interest expense is not included in operating expenses.

(3) Excludes principal and interest payments required by SPLOST revenues

FORSYTH COUNTY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Median Age	Education Level as a Percent of Population 25 yrs & over		School Enrollment	Unemployment Rate
					High School or Higher	Bachelor's Degree or Higher		
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	4,879,105	35,257	34	89.5%	44.2%	23,497	3.50%
2006	148,196	5,527,945	37,302	n/a	n/a	n/a	25,882	3.20%
2007	158,369	6,238,552	39,393	n/a	n/a	n/a	28,388	3.20%
2008	160,098	6,731,158	42,044	34	90.5%	43.7%	30,763	4.80%
2009	174,520	6,477,283	37,115	n/a	n/a	n/a	32,495	7.90%
2010	179,003	6,847,034	38,251	n/a	n/a	n/a	34,362	8.20%
2011	181,840	7,519,814	41,354	n/a	n/a	n/a	35,945	7.30%
2012	187,928	7,895,805	42,015	n/a	n/a	n/a	39,190	6.50%

Data sources:

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

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

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

FORSYTH COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2012			2003		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County School	4,195	1	4.78%	2,800	1	4.35%
Northside Hospital - Forsyth	1,800	2	2.05%	275	10	0.43%
Tyson Foods, Inc.	1,500	3	1.71%	1400	3	2.17%
Forsyth County Government	1,016	4	1.16%	823	5	1.28%
Koch Foods	975	5	1.11%	-	-	-
Scientific Games	876	6	1.00%	650	6	1.01%
Publix	720	7	0.82%	-	-	-
Siemens Energy & Automation, Inc.	668	8	0.76%	1,600	2	2.48%
Kroger Company	604	9	0.69%	-	-	-
Wal-Mart Supercenter	384	10	0.44%	-	-	-
American Proteins Co.	-		-	900	4	1.40%
Solvay Advanced Polymers, LLC	-		-	400	7	0.62%
Sawnee EMC	-		-	305	8	0.47%
Firearms Training Systems, Inc	-		-	300	9	0.47%
All other employers	75,030		85.49%	54,937		85.32%
Total	87,768		100.00%	64,390		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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General Government (1)	133	139	163	183	204	202	173	168	170	172
Judicial	86	89	87	93	103	106	108	108	119	124
Public Health and Welfare	10	10	13	21	22	25	23	25	27	28
Public Safety										
Police	230	261	281	313	349	381	367	366	367	373
Officers	230	261	281	313	349	381	367	289	285	295
Civilians	30	30	31	42	43	54	57	77	82	78
Fire	100	111	124	140	154	153	140	148	148	145
Firefighters and officers	100	111	124	140	154	153	140	140	140	138
Civilians	6	6	7	7	8	9	9	8	8	7
E-911 and Coroners Office	27	30	31	35	37	42	41	38	37	38
Public Works	75	81	80	84	83	87	80	77	77	79
Recreation and Culture	50	52	56	59	65	64	60	59	60	64
Housing and Development	42	46	53	55	67	65	38	34	35	37
Solid Waste	8	8	7	8	10	9	9	9	9	9
Water & Sewer	61	71	70	74	84	83	74	73	71	74
Total	822	898	965	1,065	1,178	1,217	1,113	1,105	1,120	1,143

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sheriff										
Physical arrests	4,367	4,580	4,556	5,961	6,202	6,251	6,163	5,337	5,032	4,523
Traffic violations	14,522	16,466	16,475	19,363	30,608	36,412	37,305	39,791	30,024	17,140 (1)
Fire										
Number of calls answered	7,859	8,431	9,313	9,761	10,530	11,075	10,934	11,530	11,566	12,361
Inspections	3,500	3,059	2,619	5,429	4,959	3,948	2,707	3,556	3,897	3,056
Highways and streets										
Street resurfacing (miles)	44	41	63	52	57	64	69	80	60	73
Potholes repaired	742	394	429	383	357	420	503	502	305 (2)	322
Sanitation										
Refuse collected (tons/day)	7	7	7	7	6	6	6	6	6	6
Recyclables collected (tons/day)	3	3	4	4	4	6	6	5	6	6
Water										
New connections	2,157	2,168	3,098	3,059	2,570	630	591	894	1,043	1,603
Water mains breaks	41	40	58	63	66	66	54	52	72	61
Average daily consumption (thousands of gallons)	8,490	8,560	8,780	10,883	10,755	9,197	9,998	11,650	12,160	11,900
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,900	2,000	2,522	3,422	3,461	3,982	3,805	4,124	3,900	3,700

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

(1) Based on discussions with management the traffic citations decreased at the direction of the Sheriff.

(2) The County experienced signficant repairs and improvements in 2009 and 2010, which were unusually high.

FORSYTH COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Sheriff:										
Precincts	2	2	2	2	2	2	2	2	2	2
Number of vehicles	165	196	212	210	247	292	318	317	338	338
Fire:										
Stations	15	15	15	15	15	15	13	13	13	13
Number of vehicles	58	59	59	62	64	66	66	67	63	65
Highways and streets										
Streets (miles)	780	907	1,200	1,882	1,104	1,143	1,145	1,095	1,099	1,109
Streetlights	-	-	-	-	-	-	-	-	-	22
Traffic signals	2	5	6	6	49	54	61	65	71	70
Culture and recreation										
Parks acreage	1,140	1,334	1,334	1,603	1,642	1,642	2,500	2,600	3,250	3,250
Parks	11	11	13	46	16	16	17	18	18	23
Baseball/softball fields	44	44	44	47	47	47	48	52	52	52
Tennis courts	22	26	26	26	24	24	24	36	36	36
Soccer fields	11	12	12	12	12	12	12	18	24	24
Football fields	4	5	5	5	5	5	5	5	5	20
Playgrounds	9	9	9	12	12	12	12	14	14	5
Community centers	4	5	6	6	6	6	6	6	6	6
Water										
Water mains (miles)	747	785	833	877	912	924	932	939	949	941
Fire hydrants	5,121	5,179	5,389	5,754	6,100	6,215	6,230	6,413	6,450	6,562
Sewer										
Sanitary sewers (miles)	239	270	346	402	454	475	481	483	509	478

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)
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
2012	11.90	22.05	48,745	21,076

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

(2) Number at year end.

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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, 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 18, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our report also includes a reference to other auditors who 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

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control 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 2012-1 and 2012-2, 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*.

Forsyth County, Georgia's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2013

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

Report on Compliance for Each Major Federal Program

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, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2012.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 18, 2013

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2241	$ 5,634
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-0325	8,812
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.804	2009-SB-B9-3025	23,282
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-068	388
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-070	8,807
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-072	25,125
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-074	54,953
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-075	38,479
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-081	924
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-084	10,999
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.803	B82-8-302	337
Total Justice Assistance Grant Cluster			177,740
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0308	28,108
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C11-8-055	30,321
VOCA Victims Assistance Grant (District Attorney)	16.575	C11-8-056	54,959
VOCA Victims Assistance Grant (District Attorney)	16.575	C12-8-057	8,645
VOCA Victims Assistance Grant (Sheriff)	16.575	C12-8-058	12,767
			106,692
Passed through the Council of Juvenile Court Judges:			
Juvenile Accountability Block Grant	16.523	JB-09ST-0004	6,414
			6,414
Equitable Sharing Program	16.922	GA-0580000	280,093
Total U.S. Department of Justice			599,047
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	T002912 GA-18-4031	110,128
Formula Grants for Other than Urbanized Areas	20.509	T003810 GA-18-4032	124,973
			235,101
Passed through the Governor's Office of Highway Safety:			
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2011-58-00391	41,784
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2012-58-00342	11,750
			53,534
Total U.S. Department of Transportation			288,635
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	47,369
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	159,718
Nutrition Services Incentive	93.053	427-93-07070254-99	35,220
Total Aging Cluster			242,307
Passed through the Legacy Link, Inc:			
Social Services Block Grant	93.667	427-93-07070254-99	47,178
Total U.S. Department of Health and Human Services			289,485

(Continued)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF THE INTERIOR			
Payments in Lieu of Taxes	15.226	2012	48,739
Total U.S. Department of the Interior			48,739
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	2009-SS-T9-0047	14,400
Emergency Management Performance Grant	97.042	2011-SS-00081-S01	11,616
Emergency Management Performance Grant	97.042	2012-EP-00-0015	52,653
			78,669
Hazard Mitigation Grant Program	97.039	HMGP-1833-0023	21,600
Homeland Security Citizen Corps Program	97.053	2010-SS-T0-0034	6,917
Total U.S. Department of Homeland Security			107,186
U.S. DEPARTMENT OF DEFENSE			
Passed through Georgia Office of the State Treasurer:			
Flood Control Lands	12.112	2012	231,739
Total U.S. Department of Defense			231,739
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	2,628,380
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DWSRF 10-015	125,748
			2,754,128
Passed through the Georgia Department of Natural Resources:			
319 Non-point Source Pollution Grant	66.460	751-900559	202,225
Total U.S. Environmental Protection Agency			2,956,353
Total Expenditures of Federal Awards			$ 4,521,184

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, 2012

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, 2012

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
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?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grant for Clean Water State Revolving Funds

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, 2012

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2012-1 Prior Period Restatements

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

Condition: Internal controls were not sufficient to detect misstatements in the County's financial statements for the year ended December 31, 2011.

Context/Cause: During our audit for the year ended December 31, 2012, several material misstatements were identified that caused the need to restate opening fund balances/net position (equity) for the year ended December 31, 2012. The nature and magnitude of these corrections for the prior period errors are as follows:

- On the government wide statement of net position, resurfacing expenses were improperly reported as capital assets. Audit adjustments totaling approximately $34,047,000 were required to properly report capital assets. Included in the aforementioned adjustments were adjustments of $24,982,000 to correct beginning net position.
- In the Water and Sewerage Authority, sewer tap fees paid in advance were improperly recognized as revenue in prior years (2003 and 2004) instead of recorded as unearned revenue liabilities. Audit adjustments totaling approximately $1,191,000 were required to properly report beginning net position.
- In the Water and Sewerage Authority, principal forgiveness clauses were not accounted for in long term notes payable balances and related intergovernmental revenues. Audit adjustments totaling approximately $575,000 were required to properly report beginning net position.
- In the Information Services Fund, a capital lease agreement and related capital asset for approximately $260,000 were not recorded in the general ledger for the year ended December 31, 2011.

Effects: Audit adjustments totaling approximately $36,073,000 were required to properly report current and prior year balances. Included in the aforementioned adjustments were adjustments of approximately $26,748,000 to properly report beginning net position for the year ended December 31, 2012.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2012-1 Prior Period Restatements (Continued)

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

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that financial statements are properly reported. Regarding the audit adjustment for capital assets, we agree with the change in opinion in reporting method following discussion with auditors during fieldwork.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2012-2 Expenditures/Expenses and Related Assets/Liabilities

Criteria: Internal controls should be in place to ensure that expenditures/expenses and related balance sheet accounts are recognized as incurred in accordance with generally accepted accounting principles (GAAP).

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

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

- In the General Fund, health claims payable and related expenditures were over stated as of December 31, 2012. An audit adjustment totaling approximately $1,020,000 was required to properly report expenditures and related liabilities.
- In the Water and Sewerage Authority, bond refunding deferred outflows and related expenses were improperly calculated and reported. An audit adjustment of approximately $651,000 was required to properly report bond refunding deferred outflows and related expenses.

Effects: Audit adjustments totaling approximately $1,671,000 were needed to correctly report liabilities, other assets and the related expenditures/expenses.

Recommendation: We recommend the County carefully review expenses and the related balance sheet accounts to ensure all transactions are properly reported in accordance with GAAP.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that expenditures/expenses and the related balance sheet accounts are reported in accordance with GAAP.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported