Prepared by the **FORSYTH**COUNTY Finance Department



2013 Comprehensive Annual Financial Report

For the year ended December 31, 2013

2013 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, 2013

Introductory Section

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

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RALPH J. AMOS
CHAIRMAN

CINDY J. MILLS
VICE CHAIRMAN

BRIAN R. TAM
SECRETARY

JIM BOFF
MEMBER

TODD LEVENT
MEMBER

DOUG DERRER
COUNTY MANAGER

TIM R. MERRITT
DEPUTY COUNTY MANAGER

June 23, 2014

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, 2013.

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, 2013, 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, 2013, 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 195,405 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, Fiduciary Funds and Capital Project Funds; however the county prepares annual operating budgets for its Proprietary Funds and the Capital Outlay Fund 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.

The U.S. Census Bureau has named Forsyth County as Georgia's fastest growing county, with its population expanding by 4% between 2012 and 2013. In all, Forsyth added 7,478 new residents during that period. By 2040, Forsyth County's population is projected to increase by 114%. Forsyth County employs more than 89,918 within its boundaries with approximately 6,412 licensed businesses. Existing companies are continuing to expand within our community, serving as our largest source for new jobs. As of December 2013, the county's unemployment rate was 5.3%, which is lower than the State of Georgia (7.2%) and the United States (6.5%).

Due to its proximity to Atlanta, Forsyth County continues to provide a vibrant community complete with a thriving economy and a school system known for its excellence. In September 2010, America's Promise Alliance announced Forsyth County as one of the "100 Best Communities for Young People".

- The county was originally dominated by the poultry, horse and farming industries, and two industry giants, Tyson Foods and American Proteins, Co., still play a major role in the area's economy. Over the past 5 years nearly 50 international companies have moved to the county, with 17 having national or regional headquarters. The medical and life science industries remain the county's fastest growing industry sectors.
- 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 close to 41,000 students, is the seventh largest school system in Georgia, operating 35 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 March 20, ground was broken for Forsyth County's new animal shelter. Funded by the voter-approved Special Purpose Local Option Sales Tax (SPLOST) VII program, the new shelter will be located on County Way off of GA 400 in northern Forsyth County. The approximately 13,700-square foot facility is slated for completion in mid-2014.
- In May, Forsyth County officially dedicated the expansion of the Forsyth County Water Treatment Plant. The county opened the Water Treatment Plant, located on Antioch Road, in 2000. The new

expansion to the plant features membrane technology that increases the total capacity that can be treated at the plant to 28 million gallons of water daily. The expansion, which was completed under budget, also allows for increased efficiency.

- In May 2013, the Robert Wood Johnson Foundation and the University of Wisconsin's Population Health Institute released the third annual County Health Rankings. Nearly every county in the country is ranked on health outcomes (how healthy we are) and on health factors (how healthy we can be). Forsyth County was ranked the healthiest in Georgia. Some of the measures used to calculate the rankings include: adult smoking, obesity, binge drinking, access to primary care physicians, rates of high school graduation, rates of violent crime, air pollution levels, unemployment rates and number of children living in poverty.

Improved Service Delivery

- On July 25, 2013 new Fire Station #3 opened in the Matt area of northwest Forsyth County. The new two-bay station is located on Wallace Tatum Road and replaces the former station located nearby on Doctor Bramblett Road. The project was funded by SPLOST VI and Impact Fees.
- Forsyth County's fourth and newest library, the Post Road library, located at 5010 Post Road near Midway Park in west Forsyth County, opened in late August 2013. Construction of the new branch was funded by the voter-approved SPLOST VI program and by a state construction grant. The new 23,500-square foot, full service facility was designed to serve all ages of the county population through programs, materials, technology and online resources.
- In December 2013, the Forsyth County Water and Sewer Department launched a new Web portal for its customers, providing the ability to not only view bills and make payments online, but also to view 24 months of previous bills, view consumption history for the previous 13 months as well as information on the type of service a customer has and their meter number.
- The county's focus on making transportation improvements continued in 2013. Throughout the year the county resurfaced 141 county roads covering 46 miles and completed a number of culvert projects and pipe replacements to improve drainage. An intersection improvement was completed at Old Atlanta Road at Daves Creek Road. Kelly Mill Road was widened from Bethelview Road to SR 371, with funding coming from the Special Purpose Local Option Sales Tax (SPLOST) VI program. Also funded by SPLOST VI were road reclamation projects on Castleberry Road from approximately SR 9 to Bethelview Road and Union Hill Road from just east of Old Atlanta Road to Trammel Road. In both projects, the existing pavement was reconstructed to provide wider travel lanes with improved shoulders.
-

Parks, Recreation and Green Space Bond Dollars at Work

- Work began in October 2013 to extend the Big Creek Greenway in Forsyth County. Phase 4 of the Big Creek Greenway consists of constructing a 12-foot wide multi-use trail out of concrete and boardwalk along Big Creek and Kelly Mill Road for approximately 2.85 miles. The project starts at the Bethelview Road trail head, continues along Big Creek for approximately 2.1 miles and then runs parallel to Kelly Mill Road for approximately 0.75 miles, ending at Johnson Road. The project is funded by the 2008 voter-approved Parks, Recreation and Green Space Bond.
- Artificial turf rectangle fields were installed at Coal Mountain Park and Sawnee Mountain Park in August funded by the 2008 voter-approved Parks, Recreation and Green Space Bond.

LONG – TERM FINANCIAL PLANNING

Forsyth County's Department of Planning and Community Development worked with the various county offices and departments to complete the annual update of the Short Term Work Program (STWP) of the Comprehensive Plan. The STWP provides a year by year listing, over the next five-year period, of capital improvements needed for continued, effective service delivery for the citizens of this growing county. Portions of the annual STWP addendum became the Schedule of Improvements for the 2012 Annual Update of the Impact Fee Program adopted by the Commission in October 2013. These plans provide a framework for addressing the financing of those capital needs.

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 (41% of total 2014 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 view.

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, 2012. This was the thirteenth 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 Government Finance Officer Association (GFOA) awarded the Distinguished Budget Presentation Award to Forsyth County, Georgia for its annual budget for the fiscal year beginning January 1, 2013. This was the first year the county has received this prestigious award. This award is the highest form of recognition in governmental budgeting. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

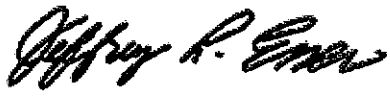
Presented to

Forsyth County

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012



Executive Director/CEO

Officials of FORSYTHCOUNTY

2013 BOARD OF COMMISSIONERS



R. J. (Pete) Amos
Chairman
District 1



Brian R. Tam
Secretary
District 2



Todd Levent
Member
District 3



Cindy Jones Mills
Member
District 4



Jim Boff
Vice - Chairman
District 5

ADMINISTRATION



Doug Derrer
County Manager



Tim Merritt
Deputy County Manager

FINANCE



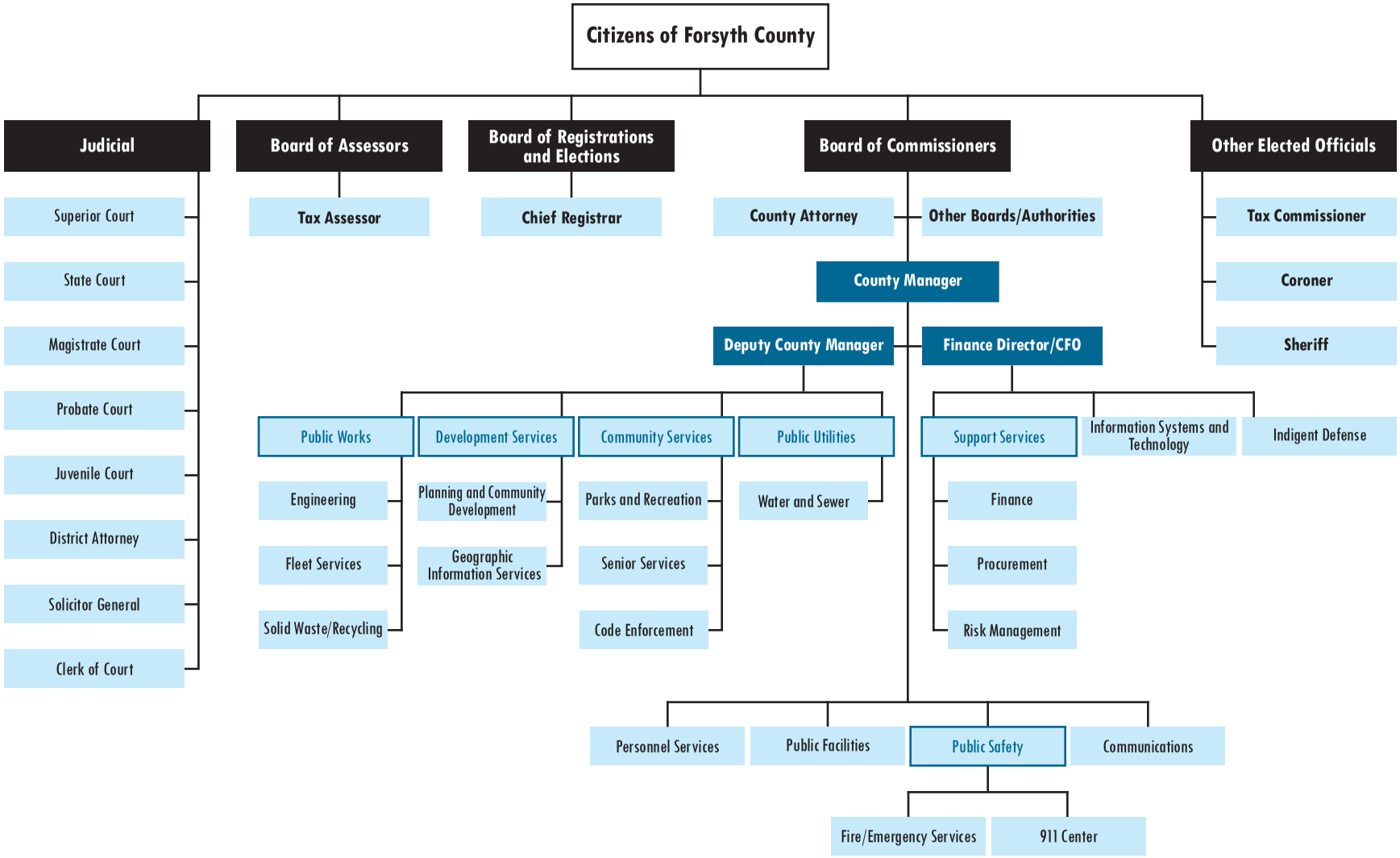
David Gruen
Finance Director/CFO

JUDICIAL & OTHER ELECTED OFFICIALS

Jeffrey S. Bagley	Superior Court Chief Judge
David L. Dickinson	Superior Court Judge
Phillip C. Smith	Superior Court Judge
T. Russell McClelland	State Court Chief Judge
Leslie C. Abernathy-	State Court Judge
Walker H. Bramblett	Chief Magistrate Judge
Lynwood D. Jordan Jr.	Probate Court Judge
J. Russell Jackson	Juvenile Court Judge
Penny Penn	District Attorney
Donna S. Gopaul	Solicitor General
Greg G. Allen	Clerk of Court
Matthew C. Ledbetter	Tax Commissioner
Mary Beth Pais	Coroner
Duane Piper	Sheriff

COUNTY DEPARTMENT HEADS

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



FORSYTHCOUNTY Organizational Chart

Financial Section

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

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, 2013, 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 10 percent, 11 percent, and 13 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the 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, 2013, 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.

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 for the General Fund and the Fire District Fund (on pages 68 through 70), and schedules of funding progress and schedule of employer contributions (on pages 71 and 72) 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2014, 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 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

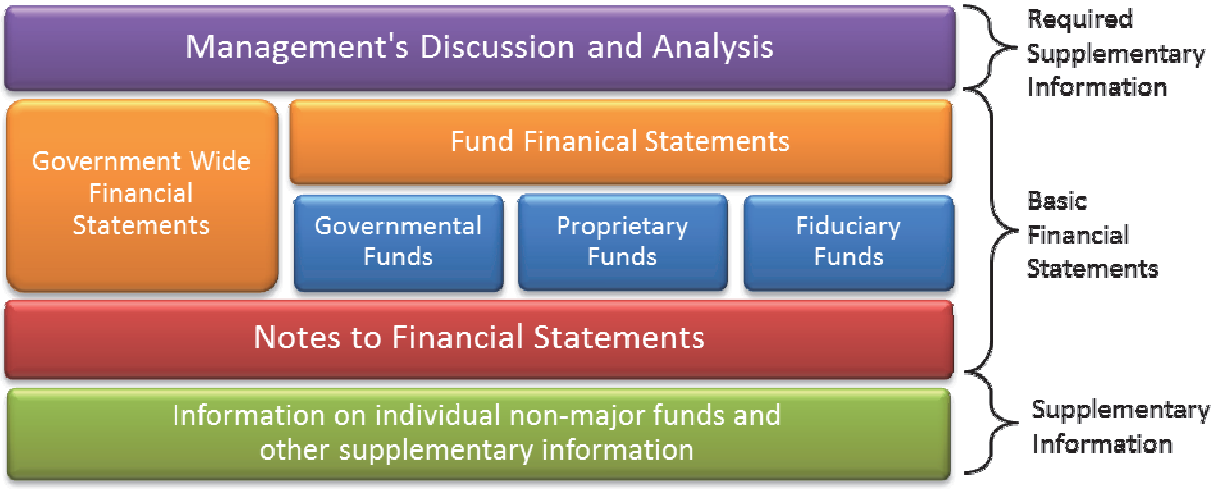
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the transmittal letter on page i and the County's financial statements, which begin on page 17.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets exceed liabilities by $1.27 billion (net position) at December 31, 2013. Of this amount $920.4 million is governmental activities and $348.3 million is business-type activities.
- The combined revenue total for the County is $234.7 million, a 7.91% increase from 2012. Of the combined total governmental activities is $183.2 million and business-type activities is $51.4 million.
- The combined expense total for the County is $185.8 million, a 6.40% increase from 2012. Of the combined total governmental activities is at $146.0 million and business-type activities is $39.8 million.
- At December 31, 2013, the County's governmental funds reported combined ending fund balance is $175.8 million, an increase of $29.9 million (20.47%) from the 2012 fund balance. The unassigned fund balance for various governmental funds is $41.2 million.
- The County's total debt increased by $10.1 million (3.36%) from fiscal year 2012, primarily due to the County issuing the additional authorized GO Parks 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 comprised 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 deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these 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 position 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, 2013, the County maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, fire fund, SPLOST, and capital projects fund, all of which are considered to be major funds. Data from the other thirteen 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 19-21 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 2013, the County used internal service funds to

account for risk management, workers' compensation, information technology, telecommunications, and fleet maintenance. 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 22-24 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 26-67 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons, progress in funding its obligation to provide pension benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 73-93 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. 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 $1.27 billion at the close of the most recent fiscal year. This is an increase of $48.8 million or 4.0% from fiscal year 2012.

FORSYTH COUNTY, GEORGIA'S NET POSITION
December 31, 2013

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2012	2013	2012	2013	2012
ASSETS & DEFERRED OUTLOWS OF RESOURCES						
Current and other assets and deferred outflows of resources	$ 263,763	$ 230,499	$ 93,498	$ 77,290	$ 357,261	$ 307,789
Capital assets (net of depreciation)	878,977	858,528	446,625	448,409	1,325,602	1,306,937
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,142,740	1,089,027	540,123	525,699	1,682,863	1,614,726
LIABILITIES & DEFERRED INFLOWS OF RESOURCES						
Other liabilities and deferred inflow of resources	77,585	90,811	26,963	27,076	104,548	117,887
Long-term liabilities outstanding	144,791	115,623	164,892	161,430	309,683	277,053
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	222,376	206,434	191,855	188,506	414,231	394,940
NET POSITION						
Net investment in capital assets	773,963	754,041	291,107	289,344	1,065,070	1,043,385
Restricted	78,987	80,730	4,315	4,259	83,302	84,989
Unrestricted	67,414	47,822	52,846	43,590	120,260	91,412
TOTAL NET POSITION	$ 920,364	$ 882,593	$ 348,268	$ 337,193	$ 1,268,632	$ 1,219,786

Source: Statement of Net Position

The largest component of the County's net position, $1.07 billion (83.95%) at December 31, 2013, 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, $83.3 million (6.57%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $120.3 million (9.48%), 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 $37.8 million (4.28%), due in part to an overall increase in revenues, an increase in capital assets and generally by keeping the total expenses below the level of revenue collections. Net position in business-type activities increased by $11.1 million (3.28%) The county's overall net position increased indicating that the County's financial position has remained constant since 2012.

Changes in Net Position. Governmental and business-type activities increased the County's net position by $48.2 million by the end December 31, 2013.

The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2012 and 2013.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET POSITION
For the Years Ended December 31, 2013 and 2012

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program Revenues:						
Charges for services	$ 27,568	$ 25,633	$ 35,568	$ 33,982	$ 63,136	$ 59,615
Operating grants and contributions	1,658	1,343	-	-	1,658	1,343
Capital grants and contributions	12,055	5,365	15,699	13,088	27,754	18,453
General Revenues:						
Property taxes	65,424	67,763	-	-	65,424	67,763
Sales taxes	57,337	57,422	-	-	57,337	57,422
Insurance premium tax	7,899	7,600	-	-	7,899	7,600
Other taxes	9,854	3,489	-	-	9,854	3,489
Unrestricted investment earnings	668	749	139	231	807	980
Intergovernmental revenue, not restricted for a specific programs	-	-	-	239	-	239
Other	781	784	-	-	781	784
TOTAL REVENUES	183,244	170,148	51,406	47,540	234,650	217,688
EXPENSES						
General Government	20,445	13,558	-	-	20,445	13,558
Judicial	11,888	12,536	-	-	11,888	12,536
Public Safety	58,783	63,465	-	-	58,783	63,465
Public Works	25,270	21,510	-	-	25,270	21,510
Health and Welfare	2,686	3,131	-	-	2,686	3,131
Culture and Recreation	14,243	15,332	-	-	14,243	15,332
Housing and Development	7,305	4,466	-	-	7,305	4,466
Interest	5,353	5,860	-	-	5,353	5,860
Solid Waste Disposal Facility	-	-	672	705	672	705
Water and Sewer	-	-	39,159	34,220	39,159	34,220
TOTAL EXPENSES	145,973	139,858	39,831	34,925	185,804	174,783
Increase in net position before transfers	37,271	30,290	11,575	12,615	48,846	42,905
Transfers	500	500	(500)	(500)	-	-
Increase in net position	37,771	30,790	11,075	12,115	48,846	42,905
Net position, beginning of year	882,593	851,803	337,193	325,078	1,219,786	1,176,881
Net position, end of year	$ 920,364	$ 882,593	$ 348,268	$ 337,193	$ 1,268,632	$ 1,219,786

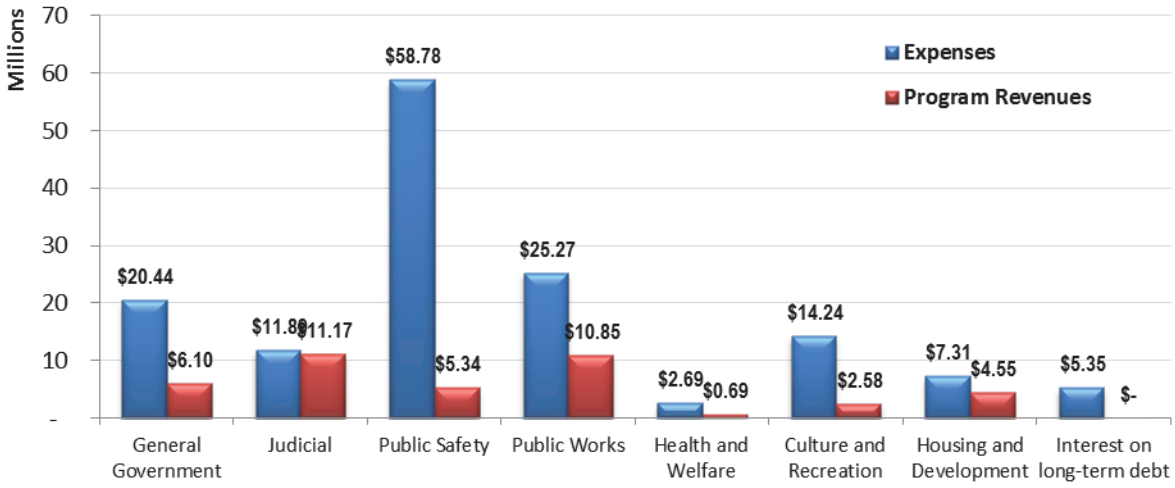
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County's net position by $37.8 million thereby accounting for 77.3% of the total growth in net position. Key elements of this increase are as follows:

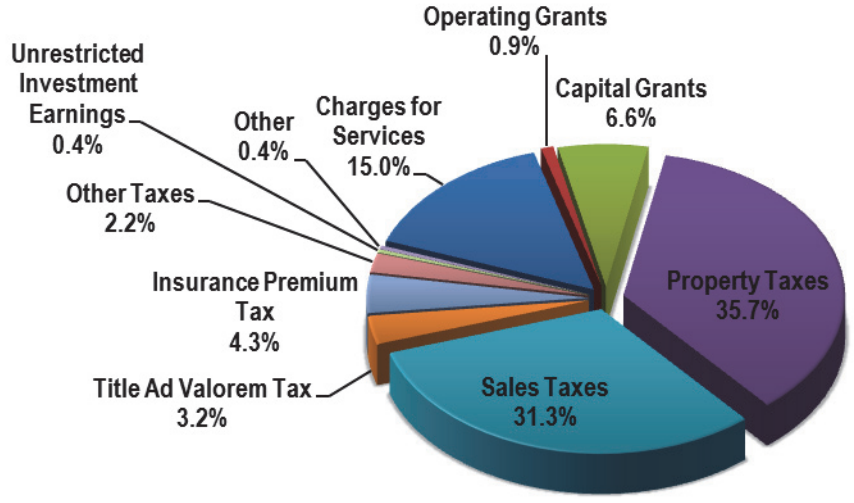
- The County's governmental activities relied on the following revenue sources in 2013: $27.6 million in charges for services, $12.1 million for grants and contributions, $140.5 million in taxes, $0.7 million in investment earning and $0.8 million in other revenue. Total program and general revenue for 2013 is $183.2 million.
- Total revenues for governmental activities increased by $13.1 million or 7.70% from fiscal year 2012. Property taxes totaling $65.4 million is the largest revenue source for the county. Operating grants and contributions increased by $315 thousand, while capital grants and contributions increased by $6.7 million. Sales tax revenues combined with the new Title Ad Valorem Tax increased by $5.8 million. The TAVT was passed by the state legislature to replace the sales tax on new vehicles and the annual property tax on tag renewals.
- Expenses for 2013 increased by $6.1 million or 4.37% from 2012. The largest increase was $6.9 million in general government due to the transfers to the City of Cumming for roads and parks projects.

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

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITES

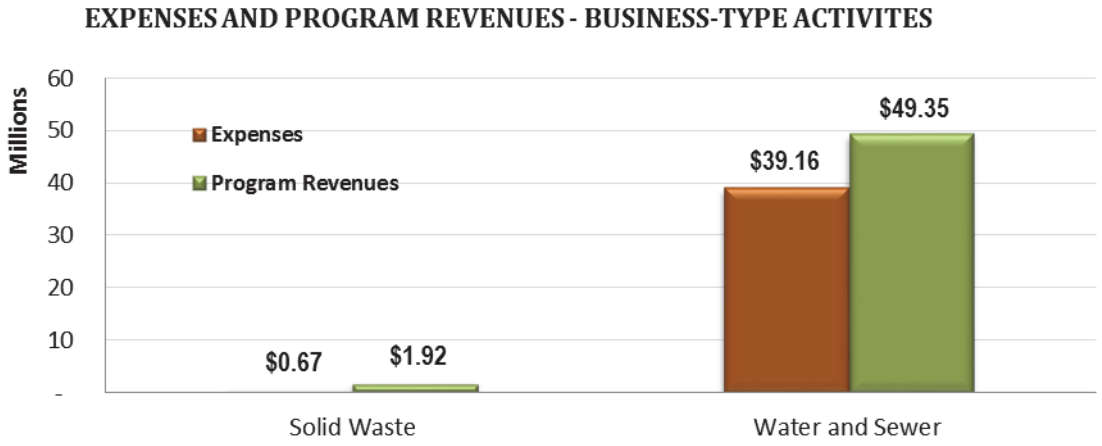


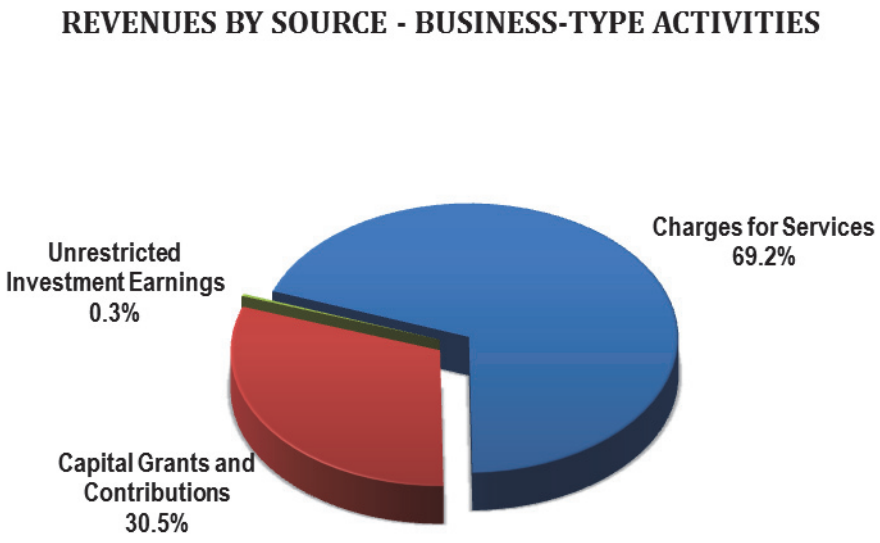
REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-type activities. Business-type activities increased the County's net position by $11.1 million, accounting for 22.7% of the total growth in net position. A key element of this increase is Water and Sewer Authority program revenues increase of $4.2 million (8.92%), due to an increase in 2013 capital contributions and water and sewer fee collections.

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





FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

GOVERNMENTAL FUNDS
CHANGES TO FUND BALANCE

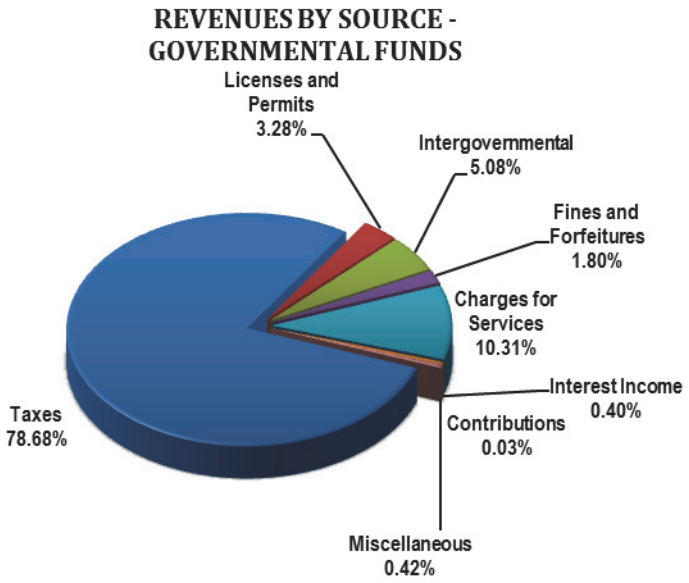
($ in thousands)

	2013	2012	Inc/Dec	% Inc/Dec
General Fund	$ 47,404	$ 44,293	$ 3,111	7.02%
Fire District Fund	6,567	7,091	(524)	-7.39%
Debt Service Fund	20,232	30,118	(9,886)	-32.82%
SPLOST Fund	39,029	35,945	3,084	8.58%
Capital Projects Fund	49,446	20,707	28,739	138.79%
Nonmajor Governmental Funds	13,080	7,735	5,345	69.10%
Fund Balance	$ 175,758	$ 145,889	$ 29,869	**20.47%**

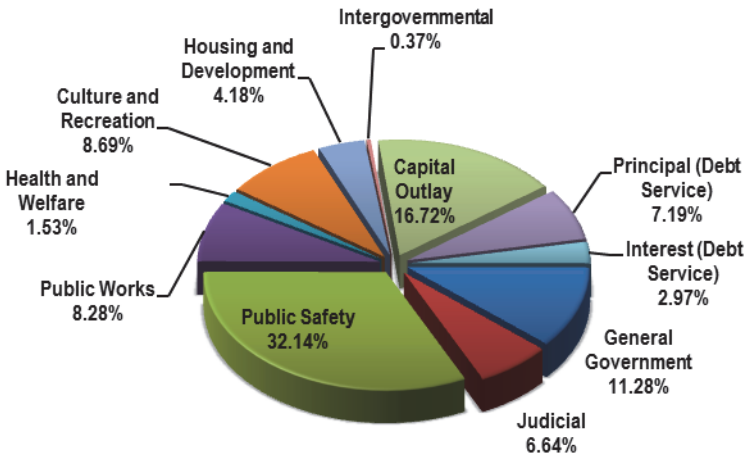
Source: Statement of Revenues, Expenditures and Changes in Fund Balances

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $175.8 million, an increase of $29.9 million in comparison with the fund balance for 2012. Approximately 23.46% of this total amount, $41.2 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 $41.5 million, which represents 87.57% of total general fund balance. The fund balance increased by $3.1 million during the current fiscal year. This increase is due to keeping the total expenditures below the level of revenue collections.



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund decreased by $0.5 million during the current fiscal year. This decrease is due to the capital outlay in 2013 for the purchase of fire engines for the Fire District.

The fund balance of the County's debt service fund decreased by $9.9 million during the current fiscal year. This decrease is due to the final SPLOST bond payment in 2013 from sales tax dollars transferred to the debt service fund in the prior year. The debt service fund has an ending fund balance of $20.2 million to be used for principal and interest payments for general obligation debt.

The fund balance of the County's SPLOST fund increased by $3.1 million during the current fiscal year. This is due to the issuance of debt for the jail/courthouse project.

The fund balance of the County's capital projects fund increased by $28.7 million during the current fiscal year. The capital projects fund has an ending fund balance of $49.4 million. The increase is due to $8.6 million in transfers from the General Fund in 2013, and $16.6 million from additional Park bonds proceeds.

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 $33.6 million, an increase of $1.1 million from 2012. This is due to an increase in water and sewer sales revenues. The department's water customer count grew by 1,607, or 3.30%, new connections to a year-end total of 50,352 and sewer customer count increased by 1,907, or 9.05%, to a year-end total of 22,983. Total operating expenses were $33.2 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2013 is $1.326 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide net additions in 2013 are $18.7 million with $20.4 million in government-type activities and $1.7 million net decrease in business-type activities. Net investment in capital assets is $1.326 million with $879.0 million for governmental activities and $446.6 million for business-type activities. This is a 1.43% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2012	2013	2012	2013	2012
Land and improvements	$ 404,704	$ 396,763	$ 28,971	$ 28,985	$ 433,675	$ 425,748
Infrastructure land improvements	158,150	158,150	-	-	158,150	158,150
Construction in progress	40,473	41,958	10,829	9,900	51,302	51,858
Buildings and improvements	100,259	90,416	15,502	15,868	115,761	106,284
Machinery and equipment	15,699	13,496	3,408	3,377	19,107	16,873
Vehicles	6,202	6,843	358	312	6,560	7,155
Sewer Capacity Rights	-	-	18,918	20,317	18,918	20,317
Infrastructure	153,490	150,902	368,639	369,650	522,129	520,552
Total	**$ 878,977**	**$ 858,528**	**$ 446,625**	**$ 448,409**	**$ 1,325,602**	**$ 1,306,937**

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

- May 2013, dedication of the Water Treatment Plant Expansion at the Antioch Road site, bringing the daily water treatment capacity up to 28 mgd.
- Fire Station #3 opened July 2013. The new two double-bay station serves the Matt area of north Forsyth County from its Wallace Tatum location. This project was funded with both SPLOST and Impact Fees.
- The fourth Library in the Forsyth County Library system opened on Post Road in August 2013, serving the West Forsyth County area. County SPLOST funds and a state construction grant funded the facility.
- New artificial turf rectangular sports fields were installed at Coal Mountain and Sawnee Mountain parks.

Additional information on the County's capital assets can be found in Note 6, on pages 43-46.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $284.3 million. Of this amount $128.3 million consists of general obligation bonds backed by the full faith and credit of the government and $156.0 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt increased by $9.9 million primarily due to the County's additional Parks bonds issued.

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 48-56.

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 68 and 69.

GENERAL FUND

for the year ended December 31, 2013

	Budgeted Amoutns			Variance with
	Original	Final	Actual	Final Budget
General Government	$ 12,530,701	$ 22,644,115	$ 19,042,712	$ (3,601,403)
Judicial	12,069,800	12,212,937	11,080,011	(1,132,926)
Public Safety	33,191,033	37,030,369	35,367,558	(1,662,811)
Public Works	300	300	633	333
Health and Welfare	1,548,000	1,592,982	1,578,807	(14,175)
Culture and Recreation	12,136,900	12,175,925	11,549,120	(626,805)
Housing and Development	7,420,500	7,624,426	6,969,466	(654,960)
Total Expenditures	$ 78,897,234 (1)	$ 93,281,054	$ 85,588,307	$ (7,692,747)

(1) The adopted General Fund expenditure budget included transfers to other funds ($2,967,900) 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 $86.0 million in the original budget increased to $86.4 million at year end, due to an increase in taxes, permits and intergovernmental revenues by $0.4 million. Total revenues ended at $96.1 million, $9.7 million above the final budget. The original adopted expenditure budget of $78.9 million plus $0.9 million in other financing sources and uses to assist funding between county funds was amended to $93.3 million.

However, by year end actual expenditures for the general fund were $85.6 million, $7.7 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $3.6 million under final budget. This is due primarily to a budgeted $1.6 million contingency which was not needed, and approximately $800,000 of computer upgrades which did not occur in 2013.
- Public Safety $1.6 million under final budget due primarily to unfilled personnel positions.
- Judicial $1.1 million under final budget.

Forsyth County's general fund 2013 final budget is $93.3 million, an increase of 0.14% from the 2012 budget.

ECONOMIC FACTORS AND THE 2014 BUDGET

Forsyth County's 2014 budget is a reflection of the financial position of the County in 2013. During 2013, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 5.3%, down 1.2% from 2012. This compares favorably to the State of Georgia's unemployment rate at 7.2%, and the national unemployment rate of 6.5% at the end of 2012.
- LOST and SPLOST revenues when supplemented by the new Title Ad Valorem Tax increased by $5.3 million, a 9.3% increase from fiscal year 2012. An increase is also projected for the 2014 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2013 millage rate for Maintenance and Operations, Fire and Debt Service remained at 7.656 mills. The 2014 budget process focused on balancing the budget without a tax increase.

- Forsyth County continues to implement cost-saving measures as 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 2014.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Library System
Cash and cash equivalents	$ 187,385,410	$ 40,680,139	$ 228,065,549	$ 549,955	$ 2,491,274
Investments	29,312,108	33,065,651	62,377,759	501,455	-
Receivables (net of allowance for uncollectibles)	2,397,050	6,230,923	8,627,973	146,633	34,522
Taxes receivable	2,649,568	-	2,649,568	-	-
Intergovernmental receivables	5,752,019	8,628	5,760,647	-	819,347
Prepaid items	517,747	37,735	555,482	-	98,303
Inventories	976,988	1,088,157	2,065,145	-	-
Internal balances	(787,782)	787,782	-	-	-
Other assets	1,386,796	-	1,386,796	-	-
Net pension asset	2,940,952	-	2,940,952	-	-
Restricted assets:					
Restricted cash and cash equivalents	22,571,463	4,314,915	26,886,378	-	-
Investments	6,567,635	-	6,567,635	-	-
Note receivable	-	97,500	97,500	-	-
Capital assets, nondepreciable	603,326,403	47,211,056	650,537,459	-	5,736,561
Capital assets, depreciable, net of accumulated depreciation	275,650,440	399,414,299	675,064,739	22,291	1,422,217
Total assets	1,140,646,797	532,936,785	1,673,583,582	1,220,334	10,602,224
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	2,092,844	7,186,158	9,279,002	-	-
Total deferred outflows of resources	2,092,844	7,186,158	9,279,002	-	-
LIABILITIES					
Accounts payable	14,095,441	1,941,520	16,036,961	5,029	898,982
Accrued liabilities	3,164,151	1,771,915	4,936,066	-	101,451
Customer deposits payable	-	3,107,180	3,107,180	-	-
Unearned revenue	-	20,141,780	20,141,780	12,000	387,058
Noncurrent liabilities due within one year					
Capital lease payable	35,687	-	35,687	-	1,474
Compensated absences payable	4,398,398	376,319	4,774,717	76,000	159,453
Note payable	-	5,860	5,860		
Claims payable	702,826	-	702,826	-	-
Landfill closure and postclosure	-	107,350	107,350	-	-
Bonds payable	4,765,000	3,900,000	8,665,000	-	-
Noncurrent liabilities due in more than one year					
Capital lease payable	156,794	-	156,794	-	129
Compensated absences payable	1,099,600	94,080	1,193,680	36,752	35,148
Note payable	-	6,691,017	6,691,017	-	-
Claims payable	1,657,174	-	1,657,174	-	-
Net OPEB obligation	687,183	-	687,183	-	-
Landfill closure and postclosure	-	1,610,243	1,610,243	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-
Bonds payable	123,511,683	152,107,521	275,619,204	-	-
Total liabilities	162,050,937	191,854,785	353,905,722	129,781	1,583,695
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues - property taxes	58,938,287	-	58,938,287	-	-
Accumulated increase in fair value of hedging derivative	1,386,796	-	1,386,796	-	-
Total deferred inflows of resources	60,325,083	-	60,325,083	-	-
NET POSITION					
Net investment in capital assets	773,962,621	291,107,115	1,065,069,736	22,291	7,157,175
Restricted for:					
Judicial services	134,403	-	134,403	-	-
Public safety services	8,503,015	-	8,503,015	-	-
Public works	1,937,254	-	1,937,254	-	-
Health and welfare	-	-	-	348,475	-
Grant projects	4,240	-	4,240	-	-
Debt service	20,284,454	4,314,915	24,599,369	-	-
Capital projects	47,890,024	-	47,890,024	-	546,526
Jail construction and equipping	233,360	-	233,360	-	-
Unrestricted	67,414,250	52,846,128	120,260,378	719,787	1,314,828
Total net position	$ 920,363,621	$ 348,268,158	$ 1,268,631,779	$ 1,090,553	$ 9,018,529

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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	$ 20,444,861	$ 5,999,657	$ 99,574	$ -
Judicial	11,888,403	4,718,733	348,795	6,099,535
Public safety	58,783,428	4,787,210	536,223	14,562
Public works	25,269,834	4,873,457	37,688	5,940,539
Health and welfare	2,685,526	150,818	536,567	-
Cuture and recreation	14,242,542	2,542,662	40,000	-
Housing and development	7,305,269	4,495,403	59,371	-
Interest on long-term debt	5,352,957	-	-	-
Total governmental activities	145,972,820	27,567,940	1,658,218	12,054,636
Business-type activities:				
Water and sewer	39,158,915	33,648,802	-	15,699,460
Solid waste	672,292	1,918,795	-	-
Total business-type activities	39,831,207	35,567,597	-	15,699,460
Total primary government	$ 185,804,027	$ 63,135,537	$ 1,658,218	$ 27,754,096
Component units:				
Health Department	$ 1,548,949	$ 725,619	$ 627,635	$ -
Library System	5,427,340	215,817	333,601	5,495,167
Total component units	$ 6,976,289	$ 941,436	$ 961,236	$ 5,495,167
General revenues:				
Property taxes				
Sales and use taxes				
Title ad valorem tax				
Insurance premium taxes				
Business taxes				
Alcoholic beverage taxes				
Unrestricted investment earnings				
Intergovernmental revenue, not restricted for specific programs				
Miscellaneous				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
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
$ (14,345,630)	$ -	$ (14,345,630)		$ -	$ -
(721,340)	-	(721,340)		-	-
(53,445,433)	-	(53,445,433)		-	-
(14,418,150)	-	(14,418,150)		-	-
(1,998,141)	-	(1,998,141)		-	-
(11,659,880)	-	(11,659,880)		-	-
(2,750,495)	-	(2,750,495)		-	-
(5,352,957)	-	(5,352,957)		-	-
(104,692,026)	-	(104,692,026)		-	-
-	10,189,347	10,189,347			
-	1,246,503	1,246,503		-	-
-	11,435,850	11,435,850		-	-
$ (104,692,026)	$ 11,435,850	$ (93,256,176)		$ -	$ -
$ -	$ -	$ -		$ (195,695)	$ -
-	-	-		-	617,245
$ -	$ -	$ -		$ (195,695)	$ 617,245
$ 65,423,780	$ -	$ 65,423,780		$ -	$ -
57,337,231	-	57,337,231		-	-
5,888,155	-	5,888,155		-	-
7,898,886	-	7,898,886		-	-
2,102,599	-	2,102,599		-	-
1,863,570	-	1,863,570		-	-
667,469	138,858	806,327		-	1,167
-	-	-		-	4,312,360
672,512	-	672,512		184,532	-
108,385	-	108,385		-	-
500,000	(500,000)	-		-	-
142,462,587	(361,142)	142,101,445		184,532	4,313,527
37,770,561	11,074,708	48,845,269		(11,163)	4,930,772
882,593,060	337,193,450	1,219,786,510		1,101,716	4,087,757
$ 920,363,621	$ 348,268,158	$ 1,268,631,779		$ 1,090,553	$ 9,018,529

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

ASSETS	General	Fire District	Debt Service	SPLOST
Cash and cash equivalents	$ 52,613,586	$ 19,849,261	$ 27,090,421	$ 49,499,928
Investments	25,440,389	1,556,363	-	-
Receivables (net of allowance for uncollectibles)	1,244,397	39,147	-	-
Taxes receivable	1,721,986	608,196	294,270	-
Intergovernmental receivables	2,595,989	-	-	3,153,332
Due from other funds	358,830	-	-	-
Inventories	378,112	380,108	-	-
Prepaid items	178,018	4,293	-	-
Restricted assets:				
Cash	-	-	-	-
Investments	-	-	-	-
Advance to other funds	3,530,651	-	-	-
Total assets	$ 88,061,958	$ 22,437,368	$ 27,384,691	$ 52,653,260
LIABILITIES, DEFERRED INFLOWS OF RESOUCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,922,578	$ 665,938	$ -	$ 10,093,805
Other accrued liabilities	1,534,299	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	3,530,651
Total liabilities	3,456,877	665,938	-	13,624,456
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	435,684	131,435	52,732	-
Unearned revenue - property taxes	36,765,345	15,072,705	7,100,237	-
Total deferred inflows of resources	37,201,029	15,204,140	7,152,969	-
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaids	178,018	4,293	-	-
Inventories	378,112	380,108	-	-
Long term advances	3,530,651	-	-	-
Restricted:				
Judicial services	-	-	-	-
Public safety services	-	6,182,889	-	-
Public works	-	-	-	-
Grant projects	4,240	-	-	-
Capital projects	-	-	-	39,028,804
Jail construction and eqiupping	-	-	-	-
Debt service	-	-	20,231,722	-
Committed:				
Tree replacement	50,605	-	-	-
Paving expenditures	561,338	-	-	-
Assigned:				
Use of reserves in subsequent budget	75,000	-	-	-
Professional services	213,244	-	-	-
Capital projects	711,851	-	-	-
Supplies and materials	139,165	-	-	-
Health insurance administrative fees	49,999	-	-	-
Unassigned	41,511,829	-	-	-
Total fund balances	47,404,052	6,567,290	20,231,722	39,028,804
Total liabilities, deferred inflows of resources and fund balances	$ 88,061,958	$ 22,437,368	$ 27,384,691	$ 52,653,260

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
$ 20,793,854	$ 13,447,106	$ 183,294,156
-	-	26,996,752
14,640	1,092,343	2,390,527
-	25,116	2,649,568
-	2,698	5,752,019
-	-	358,830
-	-	758,220
-	1,321	183,632
22,571,463	-	22,571,463
6,567,635	-	6,567,635
-	-	3,530,651
$ 49,947,592	$ 14,568,584	$ 255,053,453

$ 501,275	$ 792,231	$ 13,975,827
-	-	1,534,299
-	358,830	358,830
-	-	3,530,651
501,275	1,151,061	19,399,607
-	337,549	957,400
-	-	58,938,287
-	337,549	59,895,687
-	1,321	183,632
-	-	758,220
-	-	3,530,651
-	134,403	134,403
-	2,188,691	8,371,580
-	1,937,254	1,937,254
-	-	4,240
29,139,098	8,861,220	77,029,122
-	233,360	233,360
-	-	20,231,722
-	-	50,605
-	-	561,338
-	-	75,000
-	-	213,244
20,307,219	-	21,019,070
-	-	139,165
-	-	49,999
-	(276,275)	41,235,554
49,446,317	13,079,974	175,758,159
$ 49,947,592	$ 14,568,584	

878,819,350
3,761,827
957,400
(141,874,067)
2,940,952
$ 920,363,621

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Fire Distirct	Debt Service	SPLOST
Revenues:				
Taxes	$ 77,142,320	$ 16,639,348	$ 7,717,389	$ 30,800,740
Licenses and permits	5,828,556	-	-	-
Intergovernmental	476,063	1,600	-	-
Fines and forfeitures	2,216,164	-	-	-
Charges for services	9,748,535	-	-	-
Interest income	100,224	25,821	34,656	45,625
Contributions	3,905	7,082	-	-
Miscellaneous	615,308	37,630	-	-
Total revenues	96,131,075	16,711,481	7,752,045	30,846,365
Expenditures:				
Current:				
General government	19,042,712	-	220,560	-
Judicial	11,080,011	-	-	-
Public safety	35,367,558	17,183,895	-	-
Public works	633	-	-	4,663,357
Health and welfare	1,578,807	-	-	-
Culture and recreation	11,549,120	-	-	3,433,493
Housing and development	6,969,466	-	-	-
Intergovernmental expenditures	-	-	-	647,113
Capital outlay	-	-	-	26,049,826
Debt service:				
Principal	-	-	12,655,000	-
Interest	-	-	4,832,741	-
Total expenditures	85,588,307	17,183,895	17,708,301	34,793,789
Excess (deficiency) of revenues over expenditures	10,542,768	(472,414)	(9,956,256)	(3,947,424)
Other financing sources (uses):				
Proceeds from sale of assets	275,640	-	-	-
Issuance of long term debt	-	-	-	7,101,000
Premium on bonds issued	-	-	-	-
Transfers in	3,418,930	-	69,756	-
Transfers out	(11,126,063)	(51,623)	-	(69,756)
Total other financing sources (uses)	(7,431,493)	(51,623)	69,756	7,031,244
Net change in fund balances	3,111,275	(524,037)	(9,886,500)	3,083,820
Fund balances, beginning of year	44,292,777	7,091,327	30,118,222	35,944,984
Fund balances, end of year	$ 47,404,052	$ 6,567,290	$ 20,231,722	$ 39,028,804

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

Capital Projects	Nonmajor Governmental Funds	Total
$ -	$ 8,247,337	$ 140,547,134
-	27,505	5,856,061
6,099,535	2,505,565	9,082,763
-	993,337	3,209,501
-	8,683,843	18,432,378
493,505	13,263	713,094
-	42,362	53,349
45,000	44,574	742,512
6,638,040	20,557,786	178,636,792
-	571,270	19,834,542
-	605,007	11,685,018
-	3,972,345	56,523,798
428,264	9,478,785	14,571,039
-	1,115,041	2,693,848
306,128	-	15,288,741
-	387,098	7,356,564
-	-	647,113
2,038,259	1,311,677	29,399,762
-	-	12,655,000
398,512	-	5,231,253
3,171,163	17,441,223	175,886,678
3,466,877	3,116,563	2,750,114
-	-	275,640
14,130,000	-	21,231,000
2,493,273	-	2,493,273
8,649,646	2,608,818	14,747,150
-	(380,778)	(11,628,220)
25,272,919	2,228,040	27,118,843
28,739,796	5,344,603	29,868,957
20,706,521	7,735,371	145,889,202
$ 49,446,317	$ 13,079,974	$ 175,758,159

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	29,868,957
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.		16,519,724
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		4,026,313
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		304,636
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.		(11,069,273)
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.		14,538
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.		(1,894,334)
Change in net position - governmental activities	$	37,770,561

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2013

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 37,131,851	$ 3,548,288	$ 40,680,139	$ 4,091,254
Investments	33,065,651	-	33,065,651	2,315,356
Receivables (net of allowance for uncollectibles)	5,813,097	417,826	6,230,923	6,523
Due from other governments	8,628	-	8,628	-
Inventories	1,088,157	-	1,088,157	218,768
Prepaid items	37,735	-	37,735	334,115
Restricted assets:				
Cash	4,314,915	-	4,314,915	-
Total current assets	81,460,034	3,966,114	85,426,148	6,966,016
Noncurrent assets:				
Note receivable	97,500	-	97,500	-
Capital assets:				
Capital assets, not being depreciated	46,621,326	589,730	47,211,056	-
Capital assets, being depreciated	499,403,774	1,349,258	500,753,032	659,187
Less accumulated depreciation	(100,811,520)	(527,213)	(101,338,733)	(501,694)
Total capital assets, net of accumulated depreciation	445,213,580	1,411,775	446,625,355	157,493
Total assets	526,771,114	5,377,889	532,149,003	7,123,509
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	7,186,158	-	7,186,158	-
Total deferred outflows of resources	7,186,158	-	7,186,158	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,931,345	10,175	1,941,520	119,614
Accrued expenses	1,771,915	-	1,771,915	-
Customer deposits payable	3,107,180	-	3,107,180	-
Unearned revenue	20,141,780	-	20,141,780	-
Claims payable, current	-	-	-	702,826
Compensated absences, current	350,575	25,744	376,319	75,429
Capital leases payable, current	-	-	-	-
Note payable, current	5,860	-	5,860	-
Landfill postclosure, current	-	107,350	107,350	-
Revenue bonds payable, current	3,900,000	-	3,900,000	-
Total current liabilities	31,208,655	143,269	31,351,924	897,869
Long-term liabilities:				
Claims payable	-	-	-	1,657,174
Compensated absences	87,644	6,436	94,080	18,857
Note payable	6,691,017	-	6,691,017	-
Landfill postclosure	-	1,610,243	1,610,243	-
Revenue bonds payable	152,107,521	-	152,107,521	-
Total long-term liabilities	158,886,182	1,616,679	160,502,861	1,676,031
Total liabilities	190,094,837	1,759,948	191,854,785	2,573,900
NET POSITION				
Net investment in capital assets	289,695,340	1,411,775	291,107,115	157,493
Restricted for debt service	4,314,915	-	4,314,915	-
Unrestricted	49,852,180	2,206,166	52,058,346	4,392,116
Total net position	$ 343,862,435	$ 3,617,941	347,480,376	$ 4,549,609
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			787,782	
Net position of business-type activities			$ 348,268,158	

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, 2013

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 21,863,274	$ -	$ 21,863,274	$ -
Sewer sales	11,235,746	-	11,235,746	-
Other	549,487	-	549,487	8,134,200
Recycling and transfer fees	-	1,918,795	1,918,795	-
Insurance recoveries	-	-	-	302,738
Other operating income	295	-	295	8,713
Total operating revenues	33,648,802	1,918,795	35,567,597	8,445,651
OPERATING EXPENSES				
Salaries and benefits	5,100,939	462,525	5,563,464	2,538,846
Supplies and maintenance	10,824,274	158,632	10,982,906	2,405,156
Claims	-	-	-	1,238,951
Insurance premiums	-	-	-	1,025,023
General and administrative	-	-	-	65,748
Depreciation and amortization expense	10,999,962	43,426	11,043,388	397,023
Landfill postclosure	-	12,034	12,034	-
Water purchases	2,838,375	-	2,838,375	-
Sewer flow costs	3,419,687	-	3,419,687	-
Total operating expenses	33,183,237	676,617	33,859,854	7,670,747
Operating income (loss)	465,565	1,242,178	1,707,743	774,904
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	133,334	5,524	138,858	4,020
Loss on disposal of capital assets	(135,761)	-	(135,761)	-
Interest expense	(5,583,710)	-	(5,583,710)	(7,512)
Bond issuance cost	(305,227)	-	(305,227)	-
Total nonoperating revenues (expenses)	(5,891,364)	5,524	(5,885,840)	(3,492)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(5,425,799)	1,247,702	(4,178,097)	771,412
Capital contributions	15,699,460	-	15,699,460	-
Transfers out	-	(500,000)	(500,000)	(2,618,930)
Total capital contributions and transfers	15,699,460	(500,000)	15,199,460	(2,618,930)
Change in net position	10,273,661	747,702	11,021,363	(1,847,518)
NET POSITION, beginning of year	333,588,774	2,870,239		7,426,123
NET POSITION, end of year	$ 343,862,435	$ 3,617,941		$ 5,578,605
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			53,345	
Change in net position of business-type activities			$ 11,074,708	

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, 2013

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 35,313,566	$ 1,786,010	$ 37,099,576	$ 8,446,166
Payments to suppliers and service providers	(16,851,830)	(271,278)	(17,123,108)	(4,415,399)
Payments to employees	(5,072,172)	(458,283)	(5,530,455)	(2,534,772)
Net cash provided by operating activities	13,389,564	1,056,449	14,446,013	1,495,995
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	(81,941)	-	(81,941)	-
Proceeds from sale of investments	-	-	-	(4,945)
Interest received	176,044	5,524	181,568	6,250
Net cash provided by investing activities	94,103	5,524	99,627	1,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(3,801,963)	(23,594)	(3,825,557)	(299,662)
Proceeds from long-term borrowings	34,309,200	-	34,309,200	-
Principal payments on capital leases	-	-	-	(34,383)
Principal payments on notes	(5,688)	-	(5,688)	-
Principal payments on bonds	(32,535,000)	-	(32,535,000)	-
Interest and fiscal charges paid	(9,727,847)	-	(9,727,847)	(8,598)
Capital contributions received	10,032,721	-	10,032,721	-
Net cash used in capital and related financing activities	(1,728,577)	(23,594)	(1,752,171)	(342,643)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayment of advances	-	-	-	(7,124)
Transfers out	-	(500,000)	(500,000)	(2,618,930)
Net cash used in noncapital financing activities	-	(500,000)	(500,000)	(2,626,054)
Net increase (decrease) in cash and cash equivalents	11,755,090	538,379	12,293,469	(1,471,397)
Cash and cash equivalents:				
Beginning of year	29,691,676	3,009,909	32,701,585	5,562,651
End of year	$ 41,446,766	$ 3,548,288	$ 44,995,054	$ 4,091,254
Classified as:				
Cash	$ 37,131,851	$ 3,548,288	$ 40,680,139	$ 4,091,254
Restricted cash	4,314,915	-	4,314,915	-
Total	$ 41,446,766	$ 3,548,288	$ 44,995,054	$ 4,091,254
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 465,565	$ 1,242,178	$ 1,707,743	$ 774,904
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	10,999,962	43,426	11,043,388	397,023
Decrease (increase) in accounts and notes receivable	(2,216,012)	(132,785)	(2,348,797)	515
Increase in due from other funds	-	(24,867)	(24,867)	-
Increase in inventories	(51,768)	-	(51,768)	34,148
(Increase) decrease in prepaid expenses	(27,382)	-	(27,382)	254,104
Increase (decrease) in accounts payable	277,973	(665)	277,308	(98,773)
Decrease in accrued expenses	(270,179)	-	(270,179)	-
Increase in customer deposits payable	301,862	-	301,862	-
Increase in unearned revenue	3,880,776	-	3,880,776	-
Increase (decrease) in compensated absences	28,767	4,242	33,009	4,074
Increase in claims payable	-	-	-	130,000
Decrease in landfill postclosure care costs	-	(75,080)	(75,080)	-
Net cash provided by operating activities	$ 13,389,564	$ 1,056,449	$ 14,446,013	$ 1,495,995
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 5,666,739	$ -	$ 5,666,739	$ -
Transfer of capital assets to governmental activities	-	-	-	1,319,175
Transfer of compensated absence to governmental activities	-	-	-	(91,169)
Transfer of capital lease to governmental activities	-	-	-	(192,481)

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

ASSETS	Agency Funds	Pension Trust Fund
Cash	$ 6,966,081	$ 317,039
Mutual funds	-	11,993,762
Taxes receivable	8,544,145	-
Other receivable	5,323	3
Total assets	15,515,549	12,310,804
LIABILITIES		
Due to others	6,971,404	-
Uncollected taxes	8,544,145	-
Total liabilities	15,515,549	-
NET POSITION		
Net position held in trust for pension benefits	$ -	$ 12,310,804

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, 2013

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 847,220
Investment income	1,995,863
Less investment expense	(36,829)
Net investement income	1,959,034
Total additions	2,806,254
DEDUCTIONS	
Benefit payments	627,352
Total deductions	627,352
Change in net position	2,178,902
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	10,131,902
End of year	$ 12,310,804

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, information technology, telecommunications, and fleet maintenance. 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.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County 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 net 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 grants 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 to the offset of the fair market value of the County's derivative. As the derivative qualifies as an effective hedge and 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 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 and deferred inflows of resources 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, 2013, the County has reported $1,114,259 of encumbrances as assignments of fund balance in the General Fund.

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

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

L. Management Estimates

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

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 $141,874,067 difference are as follows:

Bonds payable	$	(124,971,000)
Unamortized premiums		(3,305,683)
Deferred charges on refundings		2,092,844
Certificates of participation		(7,777,000)
Capital lease payable		(192,481)
Accrued interest		(1,629,852)
Net OPEB obligation		(687,183)
Compensated absences		(5,403,712)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(141,874,067)

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 $16,519,724 difference are as follows:

Capital outlay	$	35,716,818
Depreciation expense		(19,197,094)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	16,519,724

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 $4,026,313 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.	$ (167,255)
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.	4,193,568
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 4,026,313

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 $11,069,273 difference are as follows:

Issuance of debt	$ (23,724,273)
Principal reduction	12,655,000
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (11,069,273)

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 $14,538 difference are as follows:

Compensated absences	$	(34,298)
Net OPEB obligation		43,352
Net pension asset		127,188
Amortization		(104,873)
Accrued interest		(16,831)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	14,538

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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 at the department level must be amended by formal action of the Board of Commissioners in a regular meeting.

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for 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, 2013, the County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation. Additionally, the money market funds are reported as cash equivalents at December 31, 2013.

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, 2013, the County's deposit balances were collateralized as defined by State statutes and GASB.

At December 31, 2013, 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	$ 529,420	$ -	$ -	Aaa	$ 529,420
United States Treasuries	17,448,209	28,907,534	-	AA+	46,355,743
Georgia Fund 1	71,122,288	-	-	AAAf	71,122,288
Federal Home Loan Mortgage Corporation	8,316,271	800,392	-	AA+	9,116,663
Federal Home Loan Bank	260,010	4,649,546	-	AA+	4,909,556
Federal National Mortgage Association	2,538,933	310,482	-	AA+	2,849,415
Wells Fargo Adv Tr Pl Mm Ins	260,916	-	-	Aaa-mf	260,916
First American Treasury (Money Market)	6,147,645	-	-	*	6,147,645
Guaranteed Investment Contract	-	-	6,202,073	(a)	6,567,635
Morgan Stanley Institutional Liquidity	94,607	-	-	AAAm	94,607
Collective Funds - Pension	6,749,650	-	-	#	6,749,650
Mutual Funds - Pension	5,244,112	-	-	(b)	5,244,112
	$ 118,712,061	$ 34,667,954	$ 6,202,073		$ 159,947,650

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at December 31, 2013, 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	$ 1,721,986	$ 608,196	$ 294,270	$ -
Other governments	2,595,989	-	-	3,153,332
Accounts	1,244,397	39,147	-	-
Gross receivables	5,562,372	647,343	294,270	3,153,332
Less allowance for uncollectibles	-	-	-	-
Net receivables	$ 5,562,372	$ 647,343	$ 294,270	$ 3,153,332

	Capital Projects Fund	Nonmajor Governmental Funds	Water & Sewerage Authority	Solid Waste Disposal Facility
Receivables:				
Taxes	$ -	$ 25,116	$ -	$ -
Other governments	-	2,698	8,628	-
Accounts	14,640	1,092,343	8,535,020	417,826
Gross receivables	14,640	1,120,157	8,543,648	417,826
Less allowance for uncollectibles	-	-	(2,721,923)	-
Net receivables	$ 14,640	$ 1,120,157	$ 5,821,725	$ 417,826

Property taxes for the 2013 fiscal year were levied on August 19, 2012, with property values assessed as of January 1, 2012. Bills are payable on or before November 15, 2012 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 December 15, 2012. Property taxes levied during 2013 are for fiscal year 2014. Amounts recorded as a receivable and amounts collected as of December 31, 2013 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, 2013 was as follows:

	Beginning Balance Restated	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 396,763,017	$ 5,558,829	$ -	$ 2,381,849	$ 404,703,695
Infrastructure land improvements	158,149,800	-	-	-	158,149,800
Construction in progress	41,957,976	30,790,461	-	(32,275,529)	40,472,908
Total capital assets, not being depreciated	596,870,793	36,349,290	-	(29,893,680)	603,326,403
Capital assets, being depreciated:					
Buildings and improvements	114,427,037	13,601	-	13,088,762	127,529,400
Machinery and equipment	41,160,855	1,393,388	(26,560)	3,767,109	46,294,792
Vehicles	26,606,227	959,353	(2,000,635)	165,684	25,730,629
Infrastructure	286,843,811	1,494,416	-	12,872,125	301,210,352
Total capital assets, being depreciated	469,037,930	3,860,758	(2,027,195)	29,893,680	500,765,173
Less accumulated depreciation for:					
Buildings and improvements	24,010,413	3,259,597	-	-	27,270,010
Machinery and equipment	27,665,068	2,957,633	(26,692)	-	30,596,009
Vehicles	19,763,259	1,598,755	(1,833,248)	-	19,528,766
Infrastructure	135,941,816	11,778,132	-	-	147,719,948
Total accumulated depreciation	207,380,556	19,594,117	(1,859,940)	-	225,114,733
Total capital assets, being depreciated, net	261,657,374	(15,733,359)	(167,255)	29,893,680	275,650,440
Governmental activities capital assets, net	$ 858,528,167	$ 20,615,931	$ (167,255)	$ -	$ 878,976,843

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	$ 28,757,058	$ -	$ -	$ -	$ 28,757,058
Sewer capacity rights	7,574,500	50,355	-	-	7,624,855
Construction in progress	9,899,724	2,953,426	(132,973)	(1,891,034)	10,829,143
Total capital assets, not being depreciated	46,231,282	3,003,781	(132,973)	(1,891,034)	47,211,056
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	17,858,372	-	-	-	17,858,372
Machinery and equipment	6,481,752	245,105	(47,543)	-	6,679,314
Vehicles	2,158,690	152,805	(200,321)	-	2,111,174
Sewer capacity rights	14,764,550	-	(155,000)	-	14,609,550
Infrastructure	451,147,730	6,090,605	-	1,891,034	459,129,369
Total capital assets, being depreciated	492,776,347	6,488,515	(402,864)	1,891,034	500,753,032
Less accumulated depreciation for:					
Land improvements	137,584	13,251	-	-	150,835
Buildings and improvements	1,990,358	365,559	-	-	2,355,917
Machinery and equipment	3,104,515	213,895	(47,543)	-	3,270,867
Vehicles	1,846,253	104,199	(197,353)	-	1,753,099
Sewer capacity rights	2,022,028	1,450,719	(155,000)	-	3,317,747
Infrastructure	81,498,095	8,992,173	-		90,490,268
Total accumulated depreciation	90,598,833	11,139,796	(399,896)	-	101,338,733
Total capital assets, being depreciated, net	402,177,514	(4,651,281)	(2,968)	1,891,034	399,414,299
Business-type activities capital assets, net	$ 448,408,796	$ (1,647,500)	$ (135,941)	$ -	$ 446,625,355

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	$ 931,618
Judicial	325,647
Public safety	4,090,506
Public works	11,777,021
Culture and recreation	2,469,325
Total depreciation expense - governmental activities	$ 19,594,117
Business-type activities:	
Water and Sewerage Authority	$ 11,096,370
Solid Waste Disposal Facility	43,426
Total depreciation expense - business-type activities	$ 11,139,796

B. Discretely Presented Component Unit – Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 41,675	$ 20,507	$ -	$ 62,182
Total	41,675	20,507	-	62,182
Less accumulated depreciation for:				
Machinery and equipment	(37,493)	(2,398)	-	(39,891)
Total	(37,493)	(2,398)	-	(39,891)
Total capital assets, being depreciated, net	$ 4,182	$ 18,109	$ -	$ 22,291

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Library System

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
CIP	$ 399,243	$ 5,337,318	$ -	$ 5,736,561
Total	399,243	5,337,318	-	5,736,561
Capital assets, being depreciated:				
Machinery and equipment	2,107,490	83,320	-	2,190,810
Books and collections	4,893,941	421,237	(370,654)	4,944,524
Total	7,001,431	504,557	(370,654)	7,135,334
Less accumulated depreciation for:				
Machinery and equipment	(1,296,520)	(192,201)	-	(1,488,721)
Books and collections	(3,854,312)	(740,738)	370,654	(4,224,396)
Total	(5,150,832)	(932,939)	370,654	(5,713,117)
Total capital assets, being depreciated, net	1,850,599	(428,382)	-	1,422,217
Total capital assets, net	$ 2,249,842	$ 4,908,936	$ -	$ 7,158,778

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 358,830

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) transactions are recorded in the accounting system.

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

Interfund transfers for the year ended December 31, 2013 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor enterprise funds	$ 500,000
General Fund	Nonmajor governmental funds	300,000
General Fund	Internal Service Funds	2,618,930
		$ 3,418,930
Capital Projects Fund	General Fund	$ 8,649,646
Debt Service Fund	SPLOST Fund	$ 69,756
Nonmajor governmental funds	General Fund	$ 2,476,417
Nonmajor governmental funds	Fire Fund	51,623
Nonmajor governmental funds	Nonmajor governmental funds	80,778
		$ 2,608,818

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
General Fund	SPLOST Fund	$ 3,530,651

The advance from the General Fund to the SPLOST funds relates to eligible animal shelter improvements and road projects which were advance funded by the General Fund and are being reimbursed with SPLOST funds as they are available. 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, 2013:

	Beginning Balance Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 116,395,000	$ 21,231,000	$ (12,655,000)	$ 124,971,000	$ 4,765,000
Plus: Premiums	1,165,076	2,493,273	(352,666)	3,305,683	-
Total bonds payable	117,560,076	23,724,273	(13,007,666)	128,276,683	4,765,000
Capital leases payable	226,864	-	(34,383)	192,481	35,687
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	730,535	282,000	(325,352)	687,183	-
Compensated absences	5,460,076	15,613,768	(15,575,846)	5,497,998	4,398,398
Claims payable	2,230,000	1,248,951	(1,118,951)	2,360,000	702,826
Governmental activities long-term liabilities	$ 133,984,551	$ 40,868,992	$ (30,062,198)	$ 144,791,345	$ 9,901,911
Business-type Activities:					
Bonds payable	$ 149,855,000	$ 27,435,000	$ (32,535,000)	$ 144,755,000	$ 3,900,000
Less: Discounts	(87,107)	-	70,105	(17,002)	-
Plus: Premiums	7,011,724	5,381,083	(1,123,284)	11,269,523	-
Total bonds payable	156,779,617	32,816,083	(33,588,179)	156,007,521	3,900,000
Note payable	6,656,259	46,306	(5,688)	6,696,877	5,860
Landfill postclosure costs	1,792,673	-	(75,080)	1,717,593	107,350
Compensated absences	437,390	2,054,019	(2,021,010)	470,399	376,319
Business-type activities long-term liabilities	$ 165,665,939	$ 34,916,408	$ (35,689,957)	$ 164,892,390	$ 4,389,529

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

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds. During 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 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 current outstanding amount of debt considered legally defeased equals $16,970,000 as of December 31, 2013.

During 2013, the County issued $14,130,000 of Series 2013 general obligation bonds. The 2013 bonds were issued to finance costs of acquiring, constructing, renovating, and equipping parks and recreational areas, programs, and facilities in the County. The bonds, which bear interest at rates from 3.0% to 5.0%, mature March 1, 2028.

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

Year ending December 31,	Principal	Interest	Total
2014	$ 4,765,000	$ 4,776,914	$ 9,541,914
2015	5,605,000	4,628,453	10,233,453
2016	6,410,000	4,496,871	10,906,871
2017	7,055,000	4,326,687	11,381,687
2018	7,805,000	4,107,028	11,912,028
2019-2023	37,050,000	16,391,170	53,441,170
2024 - 2028	49,180,000	6,511,250	55,691,250
Total	$ 117,870,000	$ 45,238,373	$ 163,108,373

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, 2013, the County has drawn $7,101,000 of the $14,600,000 Series 2012A.

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, 2013, the floating rate being paid by the County is 0.37% and the market value of this agreement is $1,386,796, a decrease of $1,265,425 from the prior year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2013 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,			
2014	$ -	$ 287,749	$ 287,749
2015	-	287,749	287,749
2016	-	287,749	287,749
2017	-	287,749	287,749
2018	-	287,749	287,749
2019-2023	-	1,438,745	1,438,745
2024-2028	7,777,000	1,438,745	9,215,745
Total	$ 7,777,000	$ 4,316,235	$ 12,093,235

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, 2013, the County had $259,992 of machinery and equipment with accumulated depreciation of $103,997 financed with the capital lease.

At December 31, 2013, future lease payments for the capital lease payable are as follows:

	Governmental Activities
Year Ending December 31,	
2014	$ 42,981
2015	42,982
2016	42,981
2017	42,982
2018	42,982
Total minimum lease payments	214,908
Less amount representing interest	22,427
Present value of future minimum lease payments	$ 192,481

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2013.

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 interest rate is determined by 75% of the one-month LIBOR plus a 58.5 basis point spread and the rate is reset monthly for an initial term of three years. The County has the option to renew the terms in August 2014 with a new negotiated spread. The variable rate in effect as of the year-end is 0.71% and the bonds mature April 1, 2035. The current outstanding amount of debt considered legally defeased equals $30,320,000 as of December 31, 2013.

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.

Series 2013 Water and Sewer Revenue Bonds– In April 2013, the County Water and Sewerage Authority issued $27,435,000 in revenue bonds to refund $13,070,000 of the Series 2005A and $15,690,000 of the Series 2007 Bonds. The County has determined the funding will reduce the Authority's debt service payments by $2,309,622 on an aggregate basis and a net present savings of $1,988,223. 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. At December 31, 2013, $15,690,000 of the defeased 2007 Bonds remain outstanding.

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

Year ending December 31,	Principal	Interest	Total
2014	$ 3,900,000	$ 5,328,926	$ 9,228,926
2015	4,030,000	5,189,675	9,219,675
2016	4,200,000	5,033,367	9,233,367
2017	4,335,000	4,866,836	9,201,836
2018	4,520,000	4,693,361	9,213,361
2019-2023	25,505,000	20,586,230	46,091,230
2024-2028	31,450,000	14,180,468	45,630,468
2029-2033	40,960,000	6,714,758	47,674,758
2034-2037	25,855,000	1,241,339	27,096,339
Total	$ 144,755,000	$ 67,834,960	$ 212,589,960

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

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, 2013, the loan has a balance of $6,638,496 and is still in the draw down phase, therefore a future payment schedule has not been established.

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
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	6,606	925	7,531
2019 - 2022	27,242	1,630	28,872
Total	$ 58,381	$ 8,146	$ 66,527

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, 2013, the County has 17 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,717,593 over the 16-year period. These costs are based on what it would cost to perform all post-closure care in 2001, 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, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 112,398	$ 76,778	$ (76,424)	$ 112,752	$ 76,000

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, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Capital Leases	$ 2,932	$ -	$ 1,329	$ 1,603	$ 1,474
Compensated absences	202,983	157,939	166,321	194,601	159,453
Total	$ 205,915	$ 157,939	$ 167,650	$ 196,204	$ 160,927

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, 2013, the Library had $611, net of depreciation, of machinery and equipment under a capital lease.

At June 30, 2013, future lease payments for the capital lease payable are as follows:

	Principal	Interest	Total
Year ending June 30,			
2014	$ 1,474	$ 98	$ 1,572
2015	129	1	130
Total	$ 1,603	$ 99	$ 1,702

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 81 active or past employees of the County as of January 1, 2014. The County's payroll for employees participating in the Plan as of January 1, 2014, (the most recent actuarial valuation date) was $2,462,389 (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, 2014, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	42
Terminated vested participants not yet receiving benefits	6
Active participants	33
	81

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, 2013, is as follows:

Derivation of Annual Pension Cost	January 1, 2013
Annual Required Contribution	$ 709,441
Interest on Net Pension Obligation	(211,032)
Adjustment of Net Pension Obligation	221,623
Annual Pension Cost	$ 720,032

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 720,032
Actual Contributions to Plan for Current Year	847,220
Increase in Net Pension Obligation (Asset)	(127,188)
Net Pension Obligation (Asset) as of December 31, 2012	(2,813,764)
Net Pension Obligation (Asset) as of December 31, 2013	$ (2,940,952)

Basis of Valuation	
Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.0%
Projected Annual Salary Increases	4.0%
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
1/1/2014	$ 12,310,804	$ 17,536,395	$ 5,225,591	70.20 %	$ 2,462,389	212.22 %

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, 2014.

Trend Information for The Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/13	$ 720,032	$ 847,220	117.7 %	$ (2,940,952)
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)

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 2013, employee contributions were $1,806,873 and County contributions were $4,813,754. County contributions are vested over a five-year period at 20% per year. The investments are self-directed by the employee. The plan was established by resolution of the Board of Commissioners. It may also be amended by resolution of same.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

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

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

As of January 1, 2014, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	35
Active participants	1,087
	1,122

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, 2013 is as follows:

Derivation of Annual OPEB Cost		
Annual Required Contribution	$	316,000
Interest on Net OPEB Obligation		29,000
Adjustment to the ARC		(63,000)
Annual OPEB Cost	$	282,000

Derivation of Net OPEB Obligation		
Annual OPEB Cost for Current Year	$	282,000
Actual Contributions to Plan for Current Year		325,352
Increase in Net OPEB Obligation		(43,352)
Net OPEB Obligation as of December 31, 2012		730,535
Net OPEB Obligation as of December 31, 2013	$	687,183

Basis of Valuation	
Current Valuation Date	January 1, 2014
Actuarial Cost Method	Projected Unit Credit
Assumed Rate of Return on Investments	4.0%
Healthcare Cost Trend Rate	7.0%
Ultimate Healthcare Trend Rate	4.5%
Year of Ultimate Trend Rate	2019
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
1/1/2014	$ -	$ 2,163,000	$ 2,163,000	- %	$ 59,667,000	3.63 %

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, 2014.

Trend Information for The Plan

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
12/31/13	$ 282,000	$ 325,352	115.4 %	$ 687,183
12/31/12	400,000	215,601	53.9	730,535
12/31/11	412,000	193,586	47.0	546,136

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, 2013, 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
2013	$ 825,090	$ 11,987,831	$ 12,131,150	$ 681,771
2012	1,022,512	14,696,479	14,893,901	825,090

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, 2013, 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, 2013, an actuary determined that an estimated $1,530,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2013 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
2013	$ 1,520,000	$ 649,573	$ 639,573	$ 1,530,000
2012	1,330,000	973,288	783,288	1,520,000

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, 2013, an actuary determined that an estimated $830,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2013 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
2013	$ 710,000	$ 599,378	$ 479,378	$ 830,000
2012	740,000	500,249	530,249	710,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2013, the County has contractual commitments on uncompleted contracts of approximately $102,325,544.

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, 2013, the County paid $196,543 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 15. HOTEL/MOTEL TAX

The County has levied a 5% lodging tax. During the year ended December 31, 2013, the County collected $348,451 in revenues. Of this amount $348,451 or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

Required Supplementary Information

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 69,099,934	$ 69,187,984	$ 77,142,320	$ 7,954,336
Licenses and permits	4,312,200	4,459,400	5,828,556	1,369,156
Intergovernmental	257,000	408,565	476,063	67,498
Fines and forfeitures	2,357,000	2,357,000	2,216,164	(140,836)
Charges for services	9,584,600	9,584,600	9,748,535	163,935
Interest income	65,000	65,000	100,224	35,224
Contributions	-	-	3,905	3,905
Miscellaneous	353,400	353,400	615,308	261,908
Total revenues	86,029,134	86,415,949	96,131,075	9,715,126
Expenditures:				
Current:				
General government:				
Board of commissioners	3,073,100	11,445,375	10,965,557	479,818
Administrative	2,416,700	2,844,722	1,872,901	971,821
Voter registration	670,200	678,200	640,149	38,051
Tax commissioner	3,086,000	3,090,870	2,803,976	286,894
Tax assessor	2,209,400	2,301,930	2,193,064	108,866
Records Management	375,100	391,407	332,584	58,823
Board of equalization	108,800	108,800	22,458	86,342
Regional development council	193,100	196,544	196,543	1
Other	398,301	1,586,267	15,480	1,570,787
Total general government	12,530,701	22,644,115	19,042,712	3,601,403
Judicial:				
Judicial administration	997,600	1,157,582	835,496	322,086
Superior court	868,100	712,500	579,422	133,078
Clerk superior court	2,550,200	2,550,939	2,376,824	174,115
District attorney	877,500	899,300	869,857	29,443
State court	799,800	797,200	760,779	36,421
Magistrate court	903,600	904,207	800,660	103,547
Probate court	762,400	782,400	737,686	44,714
Juvenile court	1,071,200	1,162,040	1,158,156	3,884
Solicitor-state court	1,776,700	1,784,069	1,620,521	163,548
Indigent defense	1,233,600	1,233,600	1,139,500	94,100
Pretrial services	229,100	229,100	201,110	27,990
Total judicial	12,069,800	12,212,937	11,080,011	1,132,926
Public safety:				
Sheriff's office	32,033,550	35,807,007	34,170,551	1,636,456
Ambulance services	985,383	1,033,217	1,033,217	-
Dispatchers	23,500	24,345	24,344	1
Coroner and medical examiner	148,600	165,800	139,446	26,354
Total public safety	33,191,033	37,030,369	35,367,558	1,662,811
Public works:				
General-public works	300	300	633	(333)
Total public works	300	300	633	(333)

(Continued)

FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 158,200	$ 158,225	$ 158,224	$ 1
Senior citizens center	1,078,400	1,119,362	1,119,307	55
Community service	28,100	28,100	27,593	507
Transportation services	-	3,946	3,692	254
Mental health	56,200	56,249	56,248	1
Family and children services	227,100	227,100	213,743	13,357
Total health and welfare	1,548,000	1,592,982	1,578,807	14,175
Culture and recreation:				
Recreation	376,700	376,250	349,022	27,228
Parks	7,059,400	7,098,875	6,499,393	599,482
Library	4,436,800	4,436,800	4,436,705	95
Agencies	264,000	264,000	264,000	-
Total culture and recreation	12,136,900	12,175,925	11,549,120	626,805
Housing and development:				
Conservation	101,800	101,800	101,502	298
Planning and zoning	6,254,900	6,458,826	5,878,219	580,607
Code enforcement	786,600	786,600	729,577	57,023
Economic development	83,000	83,000	78,709	4,291
County agent	194,200	194,200	181,459	12,741
Total housing and development	7,420,500	7,624,426	6,969,466	654,960
Total expenditures	78,897,234	93,281,054	85,588,307	7,692,747
Excess of revenues over expenditures	7,131,900	(6,865,105)	10,542,768	17,407,873
Other financing sources (uses):				
Proceeds from sale of assets	50,000	50,000	275,640	225,640
Transfers in	800,000	800,000	3,418,930	2,618,930
Transfers out	(2,967,900)	(9,298,216)	(11,126,063)	(1,827,847)
Total other financing sources (uses)	(2,117,900)	(8,448,216)	(7,431,493)	1,016,723
Net change in fund balances	5,014,000	(15,313,321)	3,111,275	18,424,596
Fund balances, beginning of year	44,292,777	44,292,777	44,292,777	-
Fund balances, end of year	$ 49,306,777	$ 28,979,456	$ 47,404,052	$ 18,424,596

FORSYTH COUNTY, GEORGIA

FIRE DISTRICT FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	$ 16,188,014	$ 16,188,014	$ 16,639,348	$ 451,334
Intergovernmental	10,600	11,600	1,600	(10,000)
Interest income	100,000	100,000	25,821	(74,179)
Contributions	2,500	2,500	7,082	4,582
Miscellaneous	23,400	23,400	37,630	14,230
Total revenues	16,324,514	16,325,514	16,711,481	385,967
Expenditures:				
Current:				
Public safety	16,992,000	18,870,886	17,183,895	1,686,991
Total expenditures	16,992,000	18,870,886	17,183,895	1,686,991
Excess (deficiency) of revenues over expenditures	(667,486)	(2,545,372)	(472,414)	2,072,958
Other financing sources (uses):				
Transfers out	(52,700)	(52,700)	(51,623)	1,077
Total other financing sources (uses)	(52,700)	(52,700)	(51,623)	1,077
Net changes in fund balances	(720,186)	(2,598,072)	(524,037)	2,074,035
Fund balances, beginning of year	7,091,327	7,091,327	7,091,327	-
Fund balances, end of year	$ 6,371,141	$ 4,493,255	$ 6,567,290	$ 2,074,035

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, 2014	$ 12,310,804	$ 17,536,395	$ 5,225,591	70.2%	$ 2,462,389	212.2%
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%

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

Other Post-Employement Benefit Plan

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
January 1, 2014	$ -	$ 2,163,000	$ 2,163,000	0.0%	$ 59,667,000	3.6%
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%

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, 2013	$ 709,441	$ 847,220	119.4%
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%

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

Supplemental Information

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Grant Fund - to account for restricted grant monies received from various Federal and State agencies.

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.

Insurance Premium Tax Fund - to account for the insurance premium tax and the expenditures related to the tax. Revenues generated from this tax are restricted for the benefit of providing services primarily provided to unincorporated areas of the County, as restricted by 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, 2013

	Special Revenue Funds					
ASSETS	**Victims Rights & Assistance Fund**	**Drug Abuse Treatment & Education Fund**	**Emergency 911 Telephone System Fund**	**Sheriff's Law Enforcement Fund**	**Distict Attorney Seizure Fund**	**Law Library Fund**
Cash and cash equivalents	$ 6,929	$ 723,983	$ 736,637	$ 246,913	$ 74,670	$ 94,962
Receivables, net of allowance for uncollectibles	-	-	516,931	-	-	-
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivable	1,253	1,445	-	-	-	-
Prepaid items	-	-	1,321	-	-	-
Total assets	$ 8,182	$ 725,428	$ 1,254,889	$ 246,913	$ 74,670	$ 94,962
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 166	$ 50,917	$ 60,971	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	10,459
Total liabilities	166	50,917	60,971	-	-	10,459
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable:						
Prepaids	-	-	1,321	-	-	-
Restricted:						
Judicial services	8,016	-	-	-	-	84,503
Public safety services	-	674,511	1,192,597	246,913	74,670	-
Public works	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Jail construction and equiping	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	8,016	674,511	1,193,918	246,913	74,670	84,503
Total liabilities, deferred inflows of resources and fund balances	$ 8,182	$ 725,428	$ 1,254,889	$ 246,913	$ 74,670	$ 94,962

Special Revenue Funds						Capital Projects Fund		
Juvenile Court Fund	Grant Fund	DUI Court Supervisor Fund	Insurance Premium Tax Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ 41,884	$ -	$ -	$ 2,102,266	$ 30,039	$ 233,360	$ 9,155,463	$ 13,447,106
-	571,867	-	3,545	-	-	-	1,092,343
-	-	-	-	25,116	-	-	25,116
-	-	-	-	-	-	-	2,698
-		-	-	-	-	-	1,321
$ 41,884	$ 571,867	$ -	$ 2,105,811	$ 55,155	$ 233,360	$ 9,155,463	$ 14,568,584
$ -	$ 162,222	$ -	$ 168,557	$ 55,155	$ -	$ 294,243	$ 792,231
-	348,371	-	-	-	-	-	358,830
-	510,593	-	168,557	55,155	-	294,243	1,151,061
-	337,549	-	-	-	-	-	337,549
-	337,549	-	-	-	-	-	337,549
-	-	-	-	-	-	-	1,321
41,884	-	-	-	-	-	-	134,403
-	-	-	-	-	-	-	2,188,691
-	-	-	1,937,254	-	-	-	1,937,254
-	-	-	-	-	-	8,861,220	8,861,220
-	-	-	-	-	233,360	-	233,360
-	(276,275)	-	-	-	-	-	(276,275)
41,884	(276,275)	-	1,937,254	-	233,360	8,861,220	13,079,974
$ 41,884	$ 571,867	$ -	$ 2,105,811	$ 55,155	$ 233,360	$ 9,155,463	$ 14,568,584

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

	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	-	-	-	-	-	-
Fines and forfeitures	106,633	224,000	-	282,463	5,152	94,310
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	3,835,341	590	-	-
Interest income	-	904	676	163	-	-
Contributions and donations	-	5,726	-	3,000	-	-
Miscellaneous	-	-	-	28,810	-	-
Total revenues	106,633	230,630	3,836,017	315,026	5,152	94,310
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Judicial	326,582	-	-	-	-	120,878
Public safety	-	180,473	3,354,314	110,165	6,020	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	326,582	180,473	3,354,314	110,165	6,020	120,878
Excess (deficiency) of revenues over expenditures	(219,949)	50,157	481,703	204,861	(868)	(26,568)
Other financing sources (uses):						
Transfers in	219,000	67,908	-	-	-	-
Transfers out	(12,870)	-	-	-	-	-
Total other financing sources (uses)	206,130	67,908	-	-	-	-
Net change in fund balances	(13,819)	118,065	481,703	204,861	(868)	(26,568)
Fund balances, beginning of year	21,835	556,446	712,215	42,052	75,538	111,071
Fund balances (deficit), end of year	$ 8,016	$ 674,511	$ 1,193,918	$ 246,913	$ 74,670	$ 84,503

Special Revenue Funds					Capital Projects Fund		
Juvenile Court Fund	Grant Fund	DUI Court Supervisor Fund	Insurance Premium Tax Fund	Hotel/Motel Tax Fund	County Jail Construction Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 7,898,886	$ 348,451	$ -	$ -	$ 8,247,337
-	2,505,565	-	-	-	-	-	2,505,565
14,817	-	57,089	-	-	208,873	-	993,337
-	-	-	27,505	-	-	-	27,505
-	31,169	291	391,639	-	-	4,424,813	8,683,843
64	-	95	-	-	661	10,700	13,263
-	33,636	-	-	-	-	-	42,362
-	-	2,963	12,801	-	-	-	44,574
14,881	2,570,370	60,438	8,330,831	348,451	209,534	4,435,513	20,557,786
-	571,270	-	-	-	-	-	571,270
20,431	79,251	57,865	-	-	-	-	605,007
-	317,785	3,588	-	-	-	-	3,972,345
-	1,483,211	-	7,995,574	-	-	-	9,478,785
-	-	-	-	348,451	-	38,647	387,098
-	1,115,041	-	-	-	-	-	1,115,041
-	-	-	-	-	-	1,311,677	1,311,677
20,431	3,566,558	61,453	7,995,574	348,451	-	1,350,324	17,441,223
(5,550)	(996,188)	(1,015)	335,257	-	209,534	3,085,189	3,116,563
-	719,913	-	1,601,997	-	-	-	2,608,818
-	-	(67,908)	-	-	(300,000)	-	(380,778)
-	719,913	(67,908)	1,601,997	-	(300,000)	-	2,228,040
(5,550)	(276,275)	(68,923)	1,937,254	-	(90,466)	3,085,189	5,344,603
47,434	-	68,923	-	-	323,826	5,776,031	7,735,371
$ 41,884	$ (276,275)	$ -	$ 1,937,254	$ -	$ 233,360	$ 8,861,220	$ 13,079,974

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 132,000	$ 132,000	$ 106,633	$ (25,367)
Total revenues	132,000	132,000	106,633	(25,367)
Expenditures:				
Current:				
Judicial	303,500	341,771	326,582	15,189
Total expenditures	303,500	341,771	326,582	15,189
Deficiency of revenues over expenditures	(171,500)	(209,771)	(219,949)	(10,178)
Other financing sources (uses):				
Transfers in	171,500	209,771	219,000	9,229
Transfers out	-	-	(12,870)	(12,870)
Total other financing sources (uses)	171,500	209,771	206,130	(3,641)
Net changes in fund balances	-	-	(13,819)	(13,819)
Fund balances, beginning of year	21,835	21,835	21,835	-
Fund balances, end of year	$ 21,835	$ 21,835	$ 8,016	$ (13,819)

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 140,000	$ 140,000	$ 224,000	$ 84,000
Interest income	-	-	904	904
Contributions	6,000	6,000	5,726	(274)
Total revenues	146,000	146,000	230,630	84,630
Expenditures:				
Current:				
Public safety	146,000	276,800	180,473	96,327
Total expenditures	146,000	276,800	180,473	96,327
Other financing sources:				
Transfers in	-	-	67,908	67,908
Total other financing sources	-	-	67,908	67,908
Net changes in fund balances	-	(130,800)	118,065	248,865
Fund balances, beginning of year	556,446	556,446	556,446	-
Fund balances, end of year	$ 556,446	$ 425,646	$ 674,511	$ 248,865

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,610,400	$ 3,610,400	$ 3,835,341	$ 224,941
Interest income	-	-	676	676
Total revenues	3,610,400	3,610,400	3,836,017	225,617
Expenditures:				
Current:				
Public safety	3,930,100	3,930,100	3,354,314	575,786
Total expenditures	3,930,100	3,930,100	3,354,314	575,786
Net changes in fund balances	(319,700)	(319,700)	481,703	801,403
Fund balances, beginning of year	712,215	712,215	712,215	-
Fund balances, end of year	$ 392,515	$ 392,515	$ 1,193,918	$ 801,403

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 250,000	$ 250,000	$ 282,463	$ 32,463
Charges for services	-	-	590	590
Interest income	-	-	163	163
Contributions	-	-	3,000	3,000
Miscellaneous	-	-	28,810	28,810
Total revenues	250,000	250,000	315,026	65,026
Expenditures:				
Current:				
Public safety	485,000	292,050	110,165	181,885
Total expenditures	485,000	292,050	110,165	181,885
Net changes in fund balances	(235,000)	(42,050)	204,861	246,911
Fund balances, beginning of year	42,052	42,052	42,052	-
Fund balances (deficit), end of year	$ (192,948)	$ 2	$ 246,913	$ 246,911

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 2,000	$ 5,151	$ 5,152	$ 1
Total revenues	2,000	5,151	5,152	1
Expenditures:				
Current:				
Public safety	3,000	6,151	6,020	131
Total expenditures	3,000	6,151	6,020	131
Net changes in fund balances	(1,000)	(1,000)	(868)	132
Fund balances, beginning of year	75,538	75,538	75,538	-
Fund balances, end of year	$ 74,538	$ 74,538	$ 74,670	$ 132

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 43,000	$ 43,000	$ 94,310	$ 51,310
Miscellaneous	37,000	37,000	-	(37,000)
Total revenues	80,000	80,000	94,310	14,310
Expenditures:				
Current:				
Judicial	193,000	191,000	120,878	70,122
Total expenditures	193,000	191,000	120,878	70,122
Net changes in fund balances	(113,000)	(111,000)	(26,568)	84,432
Fund balances, beginning of year	111,071	111,071	111,071	-
Fund balances (deficit), end of year	$ (1,929)	$ 71	$ 84,503	$ 84,432

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 20,400	$ 20,400	$ 14,817	$ (5,583)
Interest income	-	-	64	64
Total revenues	20,400	20,400	14,881	(5,519)
Expenditures:				
Current:				
Judicial	20,400	20,400	20,431	(31)
Total expenditures	20,400	20,400	20,431	(31)
Net changes in fund balances	-	-	(5,550)	(5,550)
Fund balances, beginning of year	47,434	47,434	47,434	-
Fund balances, end of year	$ 47,434	$ 47,434	$ 41,884	$ (5,550)

FORSYTH COUNTY, GEORGIA
GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 1,300,100	$ 3,005,514	$ 2,505,565	$ (499,949)
Charges for services	36,000	36,000	31,169	(4,831)
Contributions and donations	40,800	40,800	33,636	(7,164)
Total revenues	1,376,900	3,082,314	2,570,370	(511,944)
Expenditures:				
Current:				
General government	189,900	315,559	571,270	(255,711)
Judicial	193,500	107,939	79,251	28,688
Public safety	268,700	457,345	317,785	139,560
Public works	470,000	1,766,898	1,483,211	283,687
Health and welfare	1,384,500	1,384,500	1,115,041	269,459
Culture and recreation	-	52,700	-	52,700
Total expenditures	2,506,600	4,084,941	3,566,558	518,383
Deficiency of revenues over expenditures	(1,129,700)	(1,002,627)	(996,188)	6,439
Other financing sources:				
Transfers in	1,129,700	1,002,627	719,913	(282,714)
Total other financing sources	1,129,700	1,002,627	719,913	(282,714)
Net changes in fund balances	-	-	(276,275)	(276,275)
Fund balances, beginning of year	-	-	-	-
Fund balances (deficit), end of year	$ -	$ -	$ (276,275)	$ (276,275)

FORSYTH COUNTY, GEORGIA
DUI COURT SUPERVISOR

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 48,000	$ 48,000	$ 57,089	$ 9,089
Charges for services	-	-	291	291
Interest income	-	-	95	95
Miscellaneous	5,000	5,000	2,963	(2,037)
Total revenues	53,000	53,000	60,438	7,438
Expenditures:				
Current:				
Judicial	57,300	74,300	57,865	16,435
Public safety	5,000	5,000	3,588	1,412
Total expenditures	62,300	79,300	61,453	17,847
Deficiency of revenues over expenditures	(9,300)	(26,300)	(1,015)	25,285
Other financing sources (uses):				
Transfers out	-	-	(67,908)	(67,908)
Total other financing sources (uses)	-	-	(67,908)	(67,908)
Net changes in fund balances	(9,300)	(26,300)	(68,923)	(42,623)
Fund balances, beginning of year	68,923	68,923	68,923	-
Fund balances, end of year	$ 59,623	$ 42,623	$ -	$ (42,623)

FORSYTH COUNTY, GEORGIA
INSURANCE PREMIUM TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 6,900,000	$ 6,900,000	$ 7,898,886	$ 998,886
Licenses and permits	6,200	6,200	27,505	21,305
Charges for services	-	0	391,639	391,639
Miscellaneous	1,000	4,197	12,801	8,604
Total revenues	6,907,200	6,910,397	8,330,831	1,420,434
Expenditures:				
Current:				
Public Works	7,918,600	8,510,981	7,995,574	515,407
Total expenditures	7,918,600	8,510,981	7,995,574	515,407
Excess (deficiency) of revenues over expenditures	(1,011,400)	(1,600,584)	335,257	1,935,841
Other financing sources:				
Transfers in	1,011,400	1,600,584	1,601,997	1,413
Total other financing sources	1,011,400	1,600,584	1,601,997	1,413
Net changes in fund balances	-	-	1,937,254	1,937,254
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 1,937,254	$ 1,937,254

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 225,000	$ 348,452	$ 348,451	$ (1)
Total revenues	225,000	348,452	348,451	(1)
Expenditures:				
Current:				
Housing and development	225,000	348,452	348,451	1
Total expenditures	225,000	348,452	348,451	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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 7,645,242	$ 7,645,242	$ 7,717,389	$ 72,147
Investment income	61,000	61,000	34,656	(26,344)
Total revenues	7,706,242	7,706,242	7,752,045	45,803
Expenditures:				
Current:				
General government	243,800	243,800	220,560	23,240
Debt service:				
Principal	10,470,000	12,778,694	12,655,000	123,694
Interest	4,598,748	4,873,189	4,832,741	40,448
Total expenditures	15,312,548	17,895,683	17,708,301	187,382
Deficiency of revenues over expenditures	(7,606,306)	(10,189,441)	(9,956,256)	233,185
Other financing sources:				
Transfers in	9,655,000	9,655,000	69,756	(9,585,244)
Total other financing sources	9,655,000	9,655,000	69,756	(9,585,244)
Net changes in fund balances	2,048,694	(534,441)	(9,886,500)	(9,352,059)
Fund balances, beginning of year	30,118,222	30,118,222	30,118,222	-
Fund balances, end of year	$ 32,166,916	$ 29,583,781	$ 20,231,722	$ (9,352,059)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V - 2003 SPLOST					
Roads, streets and bridges	$ 99,100,000	$ 96,831,395	$ 96,814,774	$ -	$ 96,814,774
Parks and recreation	12,250,000	8,003,202	8,003,202	-	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	$ 151,600,964	$ 151,584,343	$ -	$ 151,584,343
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 108,600,000	$ 89,595,000	$ 74,150,607	$ 7,514,561	$ 81,665,168
Public safety facilities	17,800,000	14,685,000	2,404,288	778,441	3,182,729
Park and recreation facilities	13,500,000	11,137,500	4,397,086	1,256,608	5,653,694
Library facilities	7,200,000	5,940,000	566,314	4,804,925	5,371,239
Cultural facilities	6,000,000	4,950,000	4,501,531	321,280	4,822,811
Payments to the City of Cumming	6,900,000	6,202,633	5,428,553	647,113	6,075,666
Total 2008 SPLOST	$ 160,000,000	$ 132,510,133	$ 91,448,379	$ 15,322,928	$ 106,771,307
SPLOST VII - 2013 SPLOST					
Courthouse and Jail Expansion	$ 100,000,000	$ 100,000,000	$ 2,531,858	$ 18,051,018	$ 20,582,876
Road, street, bridges and sidewalks	76,925,025	76,925,025	-	-	-
Animal Shelter	2,999,975	2,999,975	149,223	1,489,599	1,638,822
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	$ 19,540,617	$ 22,221,698
				$ 34,863,545	

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.

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.

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

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

DECEMBER 31, 2013

	Risk Management Fund	Workers' Compensation Fund	Information Technology Fund	Tele-Communications Fund	Fleet Maintenance Fund	Total
ASSETS						
Current assets:						
Cash	$ 2,296,564	$ 1,426,320	$ -	$ -	$ 368,370	$ 4,091,254
Investments	-	2,315,356	-	-	-	2,315,356
Receivables (net of allowance for uncollectibles)	-	6,082	-	-	441	6,523
Inventories	-	-	-	-	218,768	218,768
Prepaid items	334,115	-	-	-	-	334,115
Total current assets	2,630,679	3,747,758	-	-	587,579	6,966,016
Noncurrent assets:						
Capital assets:						
Capital assets, being depreciated	-	-	-	-	659,187	659,187
Less accumulated depreciation	-	-	-	-	(501,694)	(501,694)
Total capital assets, net of accumulated depreciation	-	-	-	-	157,493	157,493
Total assets	2,630,679	3,747,758	-	-	745,072	7,123,509
LIABILITIES						
Current liabilities:						
Accounts payable	57,740	15,000	-	-	46,874	119,614
Compensated absences, due within one year	5,586	-	-	-	69,843	75,429
Claims payable, due within one year	264,590	438,236	-	-	-	702,826
Total current liabilities	327,916	453,236	-	-	116,717	897,869
Long-term liabilities:						
Compensated absences, due in more than one year	1,396	-	-	-	17,461	18,857
Claims payable, long term	565,410	1,091,764	-	-	-	1,657,174
Total long-term liabilities	566,806	1,091,764	-	-	17,461	1,676,031
Total liabilities	894,722	1,545,000	-	-	134,178	2,573,900
NET POSITION						
Net investment in capital assets	-	-	-	-	157,493	157,493
Unrestricted	1,735,957	2,202,758	-	-	453,401	4,392,116
Total net position	$ 1,735,957	$ 2,202,758	$ -	$ -	$ 610,894	$ 4,549,609

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Risk Management Fund	Workers' Compensation Fund	Information Technology Fund	Tele-Communications Fund	Fleet Maintenance Fund	Total
OPERATING REVENUES						
Charges for services	$ 1,419,200	$ 1,046,600	$ 3,686,600	$ 733,300	$ 1,248,500	$ 8,134,200
Insurance recoveries	70,822	231,916	-	-	-	302,738
Other operating income	38	-	-	-	8,675	8,713
Total operating revenues	1,490,060	1,278,516	3,686,600	733,300	1,257,175	8,445,651
OPERATING EXPENSES						
Salaries and benefits	175,168	-	1,354,309	91,308	918,061	2,538,846
Supplies and maintenance	-	-	1,601,110	599,901	204,145	2,405,156
Claims paid	599,378	639,573	-	-	-	1,238,951
Insurance premiums	600,611	424,412	-	-	-	1,025,023
General and administrative	65,748	-	-	-	-	65,748
Depreciation expense	-	-	327,499	31,784	37,740	397,023
Total operating expenses	1,440,905	1,063,985	3,282,918	722,993	1,159,946	7,670,747
Operating income (loss)	49,155	214,531	403,682	10,307	97,229	774,904
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	508	3,512	-	-	-	4,020
Loss on disposal of assets	-	-	(860,035)	(168,961)	-	(1,028,996)
Interest expense	-	-	(7,512)	-	-	(7,512)
Total nonoperating revenues (expenses)	508	3,512	(867,547)	(168,961)	-	(1,032,488)
INCOME (LOSS) BEFORE TRANSFERS	49,663	218,043	(463,865)	(158,654)	97,229	(257,584)
Transfers out	-	-	(2,374,481)	(244,449)	-	(2,618,930)
Total transfers	-	-	(2,374,481)	(244,449)	-	(2,618,930)
Change in net position	49,663	218,043	(2,838,346)	(403,103)	97,229	(2,876,514)
NET POSITION, beginning of year	1,686,294	1,984,715	2,838,346	403,103	513,665	7,426,123
NET POSITION, end of year	$ 1,735,957	$ 2,202,758	$ -	$ -	$ 610,894	$ 4,549,609

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Risk Management Fund	Workers Compensation Fund	Information Technology Fund	Tele-Communications Fund	Fleet Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 1,491,016	$ 1,278,516	$ 3,686,600	$ 733,300	$ 1,256,734	$ 8,446,166
Payments to suppliers and service providers	(1,153,812)	(1,140,075)	(1,395,980)	(598,311)	(127,221)	(4,415,399)
Payments to employees	(174,715)	-	(1,352,476)	(92,691)	(914,890)	(2,534,772)
Net cash provided (used) by operating activities	162,489	138,441	938,144	42,298	214,623	1,495,995
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchased investments	-	(4,945)	-	-	-	(4,945)
Interest received	508	5,742	-	-	-	6,250
Net cash provided (used) by investing activities	508	797	-	-	-	1,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	(280,542)	(19,120)	-	(299,662)
Principal payments on capital leases	-	-	(34,383)	-	-	(34,383)
Interest and fiscal charges paid	-	-	(8,598)	-	-	(8,598)
Net cash used by capital and related financing activities	-	-	(323,523)	(19,120)	-	(342,643)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayment of advances	(3,516)	-	-	-	(3,608)	(7,124)
Transfers out	-	-	(2,374,481)	(244,449)	-	(2,618,930)
Net cash used by noncapital financing activities	(3,516)	-	(2,374,481)	(244,449)	(3,608)	(2,626,054)
Net increase (decrease) in cash and cash equivalents	159,481	139,238	(1,759,860)	(221,271)	211,015	(1,471,397)
Cash and cash equivalents:						
Beginning of year	2,137,083	1,287,082	1,759,860	221,271	157,355	5,562,651
End of year	$ 2,296,564	$ 1,426,320	$ -	$ -	$ 368,370	$ 4,091,254
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ 49,155	$ 214,531	$ 403,682	$ 10,307	$ 97,229	$ 774,904
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	327,499	31,784	37,740	397,023
Decrease (increase) in accounts receivable	956	-	-	-	(441)	515
Decrease in inventory	-	-	-	-	34,148	34,148
Decrease (increase) in prepaids	(44,062)	-	287,483	10,683	-	254,104
Increase (decrease) in accounts payable	35,987	(86,090)	(82,353)	(9,093)	42,776	(98,773)
Increase (decrease) in compensated absences	453	-	1,833	(1,383)	3,171	4,074
Increase in claims payable	120,000	10,000	-	-	-	130,000
Net cash provided (used) by operating activities	$ 162,489	$ 138,441	$ 938,144	$ 42,298	$ 214,623	$ 1,495,995
Schedule of non-cash capital and related financing activities:						
Transfer of capital assets to governmental activities	$ -	$ -	$ 1,149,438	$ 169,737	$ -	1,319,175
Transfer of compensated absence to governmental activities	-	-	(89,010)	(2,159)	-	(91,169)
Transfer of capital lease to governmental activities	-	-	(192,481)	-	-	(192,481)

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, 2013

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 3,982,363	$ 251,398	$ 2,628,927	$ 19,546	$ 83,817	$ 30	$ 6,966,081
Other receivables	5,323	-	-	-	-	-	5,323
Taxes receivable	8,544,145	-	-	-	-	-	8,544,145
Total assets	$ 12,531,831	$ 251,398	$ 2,628,927	$ 19,546	$ 83,817	$ 30	$ 15,515,549
LIABILITIES							
Due to others	$ 3,987,686	$ 251,398	$ 2,628,927	$ 19,546	$ 83,817	$ 30	$ 6,971,404
Uncollected taxes	8,544,145	-	-	-	-	-	8,544,145
Total liabilities	$ 12,531,831	$ 251,398	$ 2,628,927	$ 19,546	$ 83,817	$ 30	$ 15,515,549

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Tax Commissioner				
ASSETS				
Cash	$ 1,725,811	$ 248,567,870	$ (246,311,318)	$ 3,982,363
Other receivables	4,394	5,323	(4,394)	5,323
Taxes receivable	6,961,925	193,607,493	(192,025,273)	8,544,145
Total assets	$ 8,692,130	$ 442,180,686	$ (438,340,985)	$ 12,531,831
LIABILITIES				
Due to others	$ 1,730,205	$ 248,573,193	$ (246,315,712)	$ 3,987,686
Uncollected taxes	6,961,925	193,607,493	(192,025,273)	8,544,145
Total liabilities	$ 8,692,130	$ 442,180,686	$ (438,340,985)	$ 12,531,831
Sheriff				
ASSETS				
Cash	$ 254,030	$ 1,753,254	$ (1,755,886)	$ 251,398
Total assets	$ 254,030	$ 1,753,254	$ (1,755,886)	$ 251,398
LIABILITIES				
Due to others	$ 254,030	$ 1,753,254	$ (1,755,886)	$ 251,398
Total liabilities	$ 254,030	$ 1,753,254	$ (1,755,886)	$ 251,398
Clerk of Superior Court				
ASSETS				
Cash	$ 4,186,164	$ 18,493,479	$ (20,050,716)	$ 2,628,927
Total assets	$ 4,186,164	$ 18,493,479	$ (20,050,716)	$ 2,628,927
LIABILITIES				
Due to others	$ 4,186,164	$ 18,493,479	$ (20,050,716)	$ 2,628,927
Total liabilities	$ 4,186,164	$ 18,493,479	$ (20,050,716)	$ 2,628,927

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
Probate Court				
ASSETS				
Cash	$ 27,374	$ 788,669	$ (796,497)	$ 19,546
Total assets	$ 27,374	$ 788,669	$ (796,497)	$ 19,546
LIABILITIES				
Due to others	$ 27,374	$ 788,669	$ (796,497)	$ 19,546
Total liabilities	$ 27,374	$ 788,669	$ (796,497)	$ 19,546
Magistrate Court				
ASSETS				
Cash	$ 93,873	$ 909,023	$ (919,079)	$ 83,817
Total assets	$ 93,873	$ 909,023	$ (919,079)	$ 83,817
LIABILITIES				
Due to others	$ 93,873	$ 909,023	$ (919,079)	$ 83,817
Total liabilities	$ 93,873	$ 909,023	$ (919,079)	$ 83,817
Juvenile Court				
ASSETS				
Cash	$ 74	$ 24,900	$ (24,944)	$ 30
Total assets	$ 74	$ 24,900	$ (24,944)	$ 30
LIABILITIES				
Due to others	$ 74	$ 24,900	$ (24,944)	$ 30
Total liabilities	$ 74	$ 24,900	$ (24,944)	$ 30
Total Agency Funds				
ASSETS				
Cash	$ 6,287,326	$ 270,537,195	$ (269,858,440)	$ 6,966,081
Other receivables	4,394	5,323	(4,394)	5,323
Taxes receivable	6,961,925	193,607,493	(192,025,273)	8,544,145
Total assets	$ 13,253,645	$ 464,150,011	$ (461,888,107)	$ 15,515,549
LIABILITIES				
Due to others	$ 6,291,720	$ 270,542,518	$ (269,862,834)	$ 6,971,404
Uncollected taxes	6,961,925	193,607,493	(192,025,273)	8,544,145
Total liabilities	$ 13,253,645	$ 464,150,011	$ (461,888,107)	$ 15,515,549

Statistical Section

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

STATISTICAL SECTION

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

Page

Financial Trends 94-101

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 102-108

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

Debt Capacity 109-113

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 ..... 114 and 115

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 116-119

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 171,871	$ 225,821	$ 561,438 (1)	$ 657,742	$ 699,078	$ 693,335	$ 697,529	$ 756,006	$ 754,041	$ 773,963
Restricted:										
Debt service	2,811	3,998	4,852	6,498	7,446	23,355	28,451	29,941	30,184	20,285
Fire services	352	134	-	-	-	-	-	-	-	-
Capital projects	9,008	12,166	18,754	10,921	20,312	31,777	35,147	47,647	41,721	47,890
Impact fee programs	-	-	-	12,429 (2)	12,343	-	-	-	-	-
Public safety programs	6,062	3,727	-	1,391	1,851	-	-	6,796	8,240	8,503
Public works	-	-	-	-	-	-	-	-	-	1,937
Judicial programs	-	250	268	133	46	-	-	251	249	134
Jail construction	-	-	-	-	-	-	-	408	324	233
Grant projects	-	-	-	-	-	-	-	56	12	4
Unrestricted:	55,995	63,187	64,310	35,991	23,912	28,316	45,012	36,368	47,822	67,414
Total governmental activities net position	$ 246,099	$ 309,283	$ 649,622	$ 725,105	$ 764,988	$ 776,783	$ 806,139	$ 877,473	$ 882,593	$ 920,364
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 149,348	$ 178,264	$ 212,336	$ 234,720	$ 236,780	$ 236,145	$ 275,887	$ 281,932	$ 289,344	$ 291,107
Restricted	880	2,597	2,695	1,738	2,418	4,075	4,142	4,207	4,259	4,315
Unrestricted	25,238	31,506	49,403	59,703	57,755	45,253	35,317	41,135	43,590	52,846
Total business-type activities net position	$ 175,466	$ 212,367	$ 264,434	$ 296,161	$ 296,953	$ 285,473	$ 315,346	$ 327,274	$ 337,193	$ 348,268
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 321,219	$ 404,085	$ 773,774	$ 892,462	$ 935,858	$ 929,480	$ 973,416	$ 1,037,938	$ 1,043,385	$ 1,065,070
Restricted	19,113	22,872	26,569	33,110	44,416	59,207	67,740	89,306	84,989	83,303
Unrestricted	81,233	94,693	113,713	95,694	81,667	73,569	80,329	77,503	91,412	120,260
Total primary government net position	$ 421,565	$ 521,650	$ 914,056	$ 1,021,266	$ 1,061,941	$ 1,062,256	$ 1,121,485	$ 1,204,747	$ 1,219,786	$ 1,268,632

(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities:										
General Government	$ 7,911	$ 5,636	$ 11,914	$ 37,603	$ 29,262	$ 17,246 (1)	$ 14,181	$ 12,658	$ 13,558	$ 20,445
Judicial	7,728	8,141	9,543	10,678	11,679	11,618	11,271	11,276	12,536	11,888
Public Safety	32,055	36,439	43,327	50,289	62,991	61,072	57,674	59,341	63,465	58,783
Public Works	13,051	16,866	27,449	9,289	16,198	15,913	15,791	15,133	21,510	25,269
Health and Welfare	1,645	1,736	2,138	2,409	3,059	2,483	2,529	3,108	3,131	2,686
Culture and Recreation	8,692	10,071	10,684	12,081	13,568	15,689	13,524	12,877	15,332	14,243
Housing and Development	3,479	4,107	5,094	6,759	7,168	5,717	4,460	4,197	4,466	7,305
Interest and paying agent fees	1,497	1,809	1,763	1,828	2,043	6,400 (2)	6,360	6,207	5,860	5,353
Total governmental activities expenses	76,058	84,805	111,912	130,936	145,968	136,138	125,790	124,797	139,858	145,973
Business-type activities:										
Water and sewer	20,602	24,629	48,518	39,617	38,322	32,521	32,283	31,457	34,220	39,159
Solid waste	429	1,571	835	557	985	599	671	789	705	672
Total business-type activities expenses	21,031	26,200	49,353	40,174	39,307	33,120	32,954	32,246	34,925	39,831
Total primary government expenses	$ 97,089	$ 111,005	$ 161,265	$ 171,110	$ 185,275	$ 169,258	$ 158,744	$ 157,043	$ 174,783	$ 185,804
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	$ 4,524	$ 545	$ 464	$ 14,886	$ 11,699	$ 6,472	$ 5,896	$ 6,232	$ 6,027	$ 6,000
Judicial	5,726	3,843	3,547	4,375	4,184	4,553	4,367	4,487	4,566	4,719
Public Safety	2,885	4,837	5,390	6,185	6,280	5,194	5,221	4,868	4,699	4,787
Public Works	164	113	100	20	181	1,132	1,938	2,101	4,167	4,873
Health and Welfare	-	-	2	8	26	67	69	92	144	151
Culture and Recreation	999	5,750	5,981	1,534	1,816	1,868	1,849	1,895	2,266	2,543
Housing and Development	5,179	6,796	7,456	364	381	2,588	2,800	2,845	3,764	4,495
Total charges for services	19,477	21,884	22,940	27,372	24,567	21,874	22,140	22,520	25,633	27,568
Operating grants and contributions	1,348	1,611	1,756	1,778	1,784	3,084	1,347	1,283	1,343	1,658
Capital grants and contributions	26,101	19,253	46,266	58,620	43,006	3,967 (3)	6,200	35,503	5,365	12,055
Total governmental activities program revenues	46,926	42,748	70,962	87,770	69,357	28,925	29,687	59,306	32,341	41,281
Business-type activities:										
Charges for services:										
Water and sewer	15,570	19,129	25,721	41,677	20,150	28,408	30,156	32,179	32,521	33,649
Solid waste	475	637	684	608	929	1,492	1,227	1,803	1,461	1,919
Total charges for services	16,045	19,766	26,405	42,285	21,079	29,900	31,383	33,982	33,982	35,568
Operating grants and contributions	-	-	8	8	12	-	-	-	-	-
Capital grants and contributions	39,919	42,652	50,472	26,100	15,548	5,565	28,019	9,695	13,088	15,699
Total business-type activities program revenues	55,964	62,418	76,885	68,393	36,639	35,465	59,402	43,677	47,070	51,267
Total primary government program revenues	$ 102,890	$ 105,166	$ 147,847	$ 156,163	$ 105,996	$ 64,390	$ 89,089	$ 102,983	$ 79,411	$ 92,548

(continued)

FORSYTH COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (expense)/revenue										
Governmental activities	$ (29,132)	$ (42,057)	$ (40,950)	$ (43,166)	$ (76,611)	$ (107,213)	$ (96,103)	$ (65,491)	$ (107,517)	$ (104,692)
Business-type activities	34,933	36,218	27,532	28,219	(2,668)	2,345	26,448	11,431	12,145	11,436
Total primary government net expense	$ 5,801	$ (5,839)	$ (13,418)	$ (14,947)	$ (79,279)	$ (104,868)	$ (69,655)	$ (54,060)	$ (95,372)	$ (93,256)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	$ 33,523	$ 38,979	$ 42,940	$ 42,310	$ 49,433	$ 63,209	$ 66,473	$ 70,006	$ 67,763	$ 65,424
Sales Taxes	43,890	51,791	59,202	59,680	54,334	46,539	50,635	54,243	57,422	57,337
Insurance premium taxes	3,885	4,149	4,348	4,572	4,683	4,616	4,489	7,114	7,600	7,899
Real estate and recording taxes	2,080	3,238	4,183	2,885	2,012	-	-	-	-	-
Other taxes (old)	2,252	2,439	2,830	2,817	2,971	-	-	-	-	-
Other taxes	4,332	5,677	7,013	5,702	4,983	2,810	2,898	3,154	3,489	9,854
Total taxes	85,630	100,596	113,503	112,264	113,433	117,174	124,495	134,517	136,274	140,514
Unrestricted grants and contributions	1,427	1,480	1,493	1,467	1,667	-	-	-	-	-
Investment earnings	1,679	2,861	4,937	5,014	2,684	1,069	1,149	980	749	668
Miscellaneous	(78)	233	98	-	-	2,673	520	1,327	784	673
Gain on sale of capital assets	-	69	119	56	103	-	-	-	-	108
Transfers	1,577	-	(434)	-	-	-	-	-	500	500
Total governmental activities	90,235	105,240	119,716	118,801	117,887	120,916	126,164	136,824	138,307	142,463
Business-type activities:										
Investment earnings	533	684	2,279	3,509	3,460	594	777	497	231	139
Miscellaneous	-	-	-	-	-	-	2	-	-	-
Intergovernmental revenue	-	-	-	-	-	-	-	-	239	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(1,577)	-	434	-	-	-	-	-	(500)	(500)
Total business-type activities	(1,044)	684	2,713	3,509	3,460	594	779	497	(30)	(361)
Total primary government	$ 89,191	$ 105,924	$ 122,429	$ 122,310	$ 121,347	$ 121,510	$ 126,943	$ 137,321	$ 138,277	$ 142,101
CHANGE IN NET POSITION										
Governmental activities	$ 61,103	$ 63,182	$ 78,766	$ 75,635	$ 41,276	$ 13,703 (3)	$ 30,061	$ 71,333	$ 30,790	$ 37,771
Business-type activities	33,889	36,902	30,245	31,728	792	2,939	27,227	11,928	12,115	11,075
Total primary government	$ 94,992	$ 100,085	$ 109,011	$ 107,363	$ 42,068	$ 16,642	$ 57,288	$ 83,261	$ 42,905	$ 48,845

(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)

	2004	2005	2006	2007	2008	2009	2010	2011 (3)	2012	2013
General fund										
Reserved	$ -	$ 808	$ 292	$ 651	$ 173	$ 14,736 (1)	$ 22,925	$ -	$ -	$ -
Unreserved	42,789	48,238	40,857	33,083	27,026	- (1)	4,548	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	5	161	178
Inventory	-	-	-	-	-	-	-	275	374	378
Long term advances	-	-	-	-	-	-	-	-	-	3,531
Restricted:										
Grant projects	-	-	-	-	-	-	-	48	12	4
Committed:										
Tree replacement	-	-	-	-	-	-	-	23	18	51
Paving expenditures	-	-	-	-	-	-	-	222	526	561
Assigned:										
Use of fund balance in subsequent budget	-	-	-	-	-	-	-	1,046	54	75
Use of fund balance for City road improvements	-	-	-	-	-	-	-	-	3,500	-
Professional services	-	-	-	-	-	-	-	42	136	213
Capital projects	-	-	-	-	-	-	-	747	444	712
Supplies and materials	-	-	-	-	-	-	-	5	19	139
Health insurance administration	-	-	-	-	-	-	-	-	69	50
Unassigned	-	-	-	-	-	-	-	35,483	38,980	41,512
Total general fund	42,789	49,046	41,149	33,734	27,199	14,736	27,473	37,896	44,293	47,404

Continued

FORSYTH COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011 (3)	2012	2013
All other governmental funds										
Reserved	$ 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	6,110	3,977	1,526	669	1,883	1,935	4,988	-	-	-
Debt service funds		-	-	-	-	-	-	-	-	-
Capital projects funds	9,010	1,048	6,984	(8,597)	(7,123)	417	184	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	-	-	-	6	6
Inventory	-	-	-	-	-	-	-	387	369	380
Long-term advances	-	-	-	-	-	-	-	97	48	-
Restricted:										
Judicial services	-	-	-	-	-	-	-	251	249	134
Public safety services	-	-	-	-	-	-	-	6,796	8,103	8,372
Public works	-	-	-	-	-	-	-	-	-	1,937
Grant projects	-	-	-	-	-	-	-	8	-	-
Capital projects	-	-	-	-	-	-	-	59,971	60,247	77,029
Jail construction and equipping	-	-	-	-	-	-	-	408	324	233
Debt service	-	-	-	-	-	-	-	29,941	30,118	20,232
Assigned for capital projects	-	-	-	-	-	-	-	-	209	20,307
Unassigned	-	-	-	-	-	-	-	-	1,923	(276)
Total all other governmental funds	19,995	21,323	32,660	22,433	122,259	116,707	102,704	97,859	101,596	128,354
Total all funds	$ 62,784	$ 70,369	$ 73,809	$ 56,167	$ 149,458	$ 131,443	$ 130,177	$ 135,755	$ 145,889	$ 175,758

(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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes (see table 5)	$ 85,169	$ 97,109	$ 109,431	$ 112,195	$ 112,641	$ 116,381	$ 124,817	$ 134,633	$ 136,607	$ 140,547
Licenses and permits	10,110	13,318	13,902	11,023	6,818	3,784	4,074	4,365	5,280	5,856
Intergovernmental	5,611	5,170	16,589	6,506	7,495	5,248	2,882	4,231	3,326	9,083
Fines and forfeitures	3,110	2,946	4,049	3,376	4,719	4,089	3,930	3,329	3,349	3,210
Charges for services	9,458	9,190	10,019	12,012	12,996	13,751	14,065	14,756	16,934	18,432
Contributions and donations	688	273	1,603	9,180	3,324	140	82	69	71	53
Investment earnings	1,475	2,550	4,329	3,936	2,459	1,377	1,192	1,004	778	713
Miscellaneous	92	492	450	505	484	2,743	1,074	1,527	854	743
Total revenues	115,713	131,048	160,372	158,733	150,935	147,513	152,116	163,914	167,199	178,637
EXPENDITURES										
General government	6,933	7,365	8,065	10,328	13,396	15,216	10,742	11,075	11,294	19,834
Judicial	7,755	8,145	9,541	10,183	10,539	11,107	10,942	11,599	12,288	11,685
Public safety	31,785	36,748	43,559	48,417	54,340	56,003	54,706	59,103	59,578	56,524
Public works	6,547	7,964	9,160	7,701	6,610	6,616	5,473	5,989	12,374	14,571
Public health and welfare	1,574	1,648	2,138	2,307	2,678	2,410	2,499	3,051	3,094	2,694
Recreation and culture	8,277	9,575	10,671	11,734	12,022	12,095	11,563	12,245	14,152	15,289
Housing and development	3,563	4,245	4,954	6,389	6,311	5,478	4,356	4,324	4,691	7,357
Intergovernmental	3,617	4,182	10,796	13,145	13,889	-	1,165	1,250	1,322	647
Capital Outlay	36,089	41,223	52,398	63,472	56,110	54,731	34,578	32,290	23,014	29,400
Principal on long-term debt	1,078	693	888	1,098	1,343	1,405	10,070	10,870	11,750	12,655
Interest and paying agent fees	1,126	1,643	1,620	1,576	1,518	5,670	7,198	6,736	6,480	5,231
Bond issuance costs	429	-	-	-	834	-	-	-	-	-
Total expenditures	108,773	123,431	153,790	176,350	179,590	170,731	153,292	158,532	160,037	175,887
Excess of revenues over (under) expenditures	6,940	7,617	6,582	(17,617)	(28,655)	(23,218)	(1,176)	5,382	7,162	2,750

(continued)

FORSYTH COUNTY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OTHER FINANCING SOURCES (USES)										
Sale of County Property	-	69	275	56	290	89	32	196	28	276
Transfers in	5,278	7,771	20,631	17,268	6,017	12,023	20,668	11,008	20,361	14,747
Transfers out	(5,482)	(7,871)	(24,048)	(17,196)	(5,691)	(12,023)	(20,668)	(11,008)	(17,695)	(11,628)
Proceeds from bond refunding	29,045	-	-	-	-	-	-	-	20,960	21,231
Proceeds from general obligation bond	-	-	-	-	118,000	-	-	-	-	-
Proceeds from installment sale	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	1,989	-	-	-	3,330	-	-	-	-	2,493
Payments to refunded bond escrow agent	(30,605)	-	-	-	-	-	-	-	(20,682)	-
Total other financing sources (uses)	225	(31)	(3,142)	128	121,946	89	32	196	2,972	27,119
Net change in fund balances	$ 7,165	$ 7,586	$ 3,440	$ (17,489)	$ 93,291	$ (23,129)	$ (1,144)	$ 5,578	$ 10,134	$ 29,869
Debt service as a percentage of noncapital expenditures	3.6%	2.8%	2.5%	2.4%	3.0%	6.1%	14.6%	14.3%	13.6%	12.7%

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	Title Ad Valorem Tax	Insurance Premium Tax	Other Taxes	Total
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
2013	65,457	57,337	5,888	7,899	3,966	140,547

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.
Title Ad Valorem Tax was created in 2013 and was the first year of collection of this tax type.

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				
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%
2014	2013	6,117,236	185,889	1,066,657	109,510	609,708	639,952	11,405	48,000	504,403	329,407	7,954,547	7.656	19,886,368	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
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
2014	2013	4.812	1.975	0.869	7.656	16.300	2.418	18.718	0.150	26.524

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, 2013
(amounts expressed in thousands)

		2013			2004		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Sawnee EMC	Electric Power Utility	$ 50,797	1	0.64%	$ 37,689	1	0.67%
Forsyth Owner 1 LP	Shopping Complex	45,000	2	0.57%			
Georgia Transmission Corporation	Power Transfer Utility	27,496	3	0.35%	17,483	2	0.31%
United Parcel Service	Delivery Service	22,227	4	0.28%			
Cole Mountain Cumming, LLC	Developer	14,910	5	0.19%			
Scientific Games, Inc.	Printed Lottery Tickets	14,587	6	0.18%	12,062	4	0.21%
Radiant Systems, Inc	Plastic Manufacturer	13,877	7	0.17%			
AT&T Services Inc	Telephone / Cell Phone Service	13,319	8	0.17%			
Bellsouth Telecom	Telephone Utility	11,964	9	0.15%	16,560	3	0.29%
Mar Windemere LP	Developer	11,920	10	0.15%			
Pulte Homes Corp	Home Builder				11,697	5	0.21%
White, Dewey C.	Developer				9,601	6	0.17%
Castle Investment Co.	Investment Company				9,184	7	0.16%
Atlanta Gas Light Co.	Gas Utility				8,592	8	0.15%
Windemere Apartments, LLC.	Real Estate				8,157	9	0.15%
D.R. Horton, Inc.	Developer				8,100	10	0.14%
Totals		$ 226,097		2.84%	$ 139,125		2.48%

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	
2005	2004	11/15/04	$ 34,456	$ 1,490	$ 764	$ 36,710	$ 33,637	97.62%	$ 3,073	$ 36,710	100.00%	$ -
2006	2005	11/15/05	37,774	1,434	779	39,987	37,103	98.22%	2,883	39,986	100.00%	1
2007	2006	11/15/06	41,808	1,396	988	44,192	40,538	96.96%	3,638	44,176	99.96%	16
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%	7,780	62,445	99.96%	25
2010	2009	11/15/09	62,417	(584)	178	62,011	57,274	91.76%	4,679	61,953	99.91%	58
2011	2010	11/15/10	66,880	(795)	249	66,334	62,299	93.15%	3,929	66,228	99.84%	106
2012	2011	11/15/11	64,220	(683)	145	63,682	60,935	94.88%	2,453	63,388	99.54%	294
2013	2012	11/15/12	62,782	(692)	39	62,129	59,802	95.25%	506	60,308	97.07%	1,821
2014	2013	11/15/13	63,593	(546)	67	63,114	61,239	96.30%	-	61,239	97.03%	1,875

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, 2013
(amounts expressed in thousands)

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Forsyth County Schools	School System	24,654,120	$ 291,700	1.58%
Carlyle Centennill LLC	Apartments	12,259,610	111,324	0.60%
Cousins Properties	Commercial Developer	12,381,280	109,554	0.59%
Truby Inc	Private Water System	27,286,430	104,152	0.56%
Summit Crossing Apartments	Apartments	10,106,100	90,146	0.49%
A & A Water Company	Private Water System	16,657,100	66,192	0.36%
Scientific Games	Manufacturing	6,921,900	65,406	0.35%
Solvay Specialty Polymers USA LLC	Manufacturing	6,592,600	61,211	0.33%
Pine Ridge Assoc LLC	Private Water System	9,108,560	35,128	0.19%
City of Cumming Utly Dept	Government	10,222,700	28,622	0.16%
All other customers			17,500,284	94.78%
Total Billing			$ 18,463,719	

FORSYTH COUNTY, GEORGIA

TOP 10 SEWER CUSTOMERS
December 31, 2013

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth County Schools	School System	24,654,120	$ 291,700	2.73%
Forsyth Owner 1 LP Formerly Cousins Properties	Commercial Developer	12,381,280	109,554	1.03%
Mar Windermere LLP Formerly Carlyle Centennill LLC	Apartments	12,259,610	111,324	1.04%
Summit Crossing Apartments	Apartments	10,106,100	90,146	0.84%
Scientific Games	Manufacturing	6,921,900	65,406	0.61%
Solvay Specialty Polymers USA LLC	Manufacturing	6,592,600	61,211	0.57%
Westerra Winward	Manufacturing	6,443,860	55,876	0.52%
Publix Super Market	Retail	4,842,600	41,035	0.38%
Alta Johns Creek, LLC	Assisted Living	4,609,860	45,446	0.43%
T.R.I. Corporation	Corporation	4,220,160	36,500	0.34%
All other customers			9,761,018	91.49%
Total Billing			$ 10,669,216	

FORSYTH COUNTY, GEORGIA

WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2013

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)
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
2012	116,395	8,004	-	124,399	149,855	6,656	156,511	280,910	3.56%	1,495
2013	124,971	7,969	-	132,940	144,755	6,697	151,452	284,392	3.43%	1,455

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 position 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)
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
2013	124,971	20,232	104,739	0.53%	536

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, 2013
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 326,310	100.00%	$ 326,310
Forsyth County direct debt	132,940	100.00%	132,940
Total direct and overlapping debt	$ 459,250		$ 459,250

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed value of property	$ 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	$ 8,788,357
Debt limit (10% of total assessed value)	644,906	733,934	842,972	946,686	1,027,999	1,034,317	989,893	923,929	892,717	878,836
Amount of Debt applicable to limit:										
General obligation bonds	33,875	33,390	32,710	31,820	148,685	147,280	137,210	126,340	116,395	124,971
Less: Resources restricted to paying principal	(2,811)	(3,998)	(5,396)	(7,010)	(8,406)	(23,355)	(28,308)	(29,941)	(30,118)	(20,232)
Total net debt applicable to limit	31,064	29,392	27,314	24,810	140,279	123,925	108,902	96,399	86,277	104,739
Legal debt margin	$ 613,842	$ 704,542	$ 815,658	$ 921,876	$ 887,720	$ 910,392	$ 880,991	$ 827,530	$ 806,440	$ 774,096
Total net debt applicable to the limit as a percentage of debt limit	4.82%	4.00%	3.24%	2.62%	13.65%	11.98%	11.00%	10.43%	9.66%	11.92%

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	
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
2013	33,648,802	22,183,275	11,465,527	3,775,000	5,384,570	9,159,570	1.25

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		
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	34	90.6%	43.6%	34,362	8.20%
2011	181,840	7,519,814	41,354	n/a	90.6%	42.8%	35,945	7.30%
2012	187,928	7,895,805	42,015	n/a	n/a	n/a	39,190	6.50%
2013	195,405	8,290,595	42,428	37	91.1%	43.3%	40,691	5.30%

Data sources:

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

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

(1) Personal income statistics provided by BEA.

FORSYTH COUNTY, GEORGIA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2013			2004		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County School	4,182	1	4.65%	3,036	1	4.47%
Northside Hospital - Forsyth	1,500	2	1.67%	275	10	0.40%
Tyson Foods, Inc.	1,200	3	1.33%	1,400	2	2.06%
Forsyth County Government	1,109	4	1.23%	1,003	4	1.48%
Koch Foods	1,100	5	1.22%	-	-	-
Scientific Games	964	6	1.07%	850	5	1.25%
Siemens Energy & Automation, Inc.	668	8	0.74%	1,100	3	1.62%
Publix	632	7	0.70%	-	-	-
Kroger Company	576	9	0.64%	-	-	-
Wal-Mart Supercenter	400	10	0.44%	-	-	-
Solvay Advanced Polymers, LLC	-		-	400	6	0.59%
Sawnee EMC	-		-	305	7	0.45%
Firearms Training Systems, Inc.	-		-	300	8	0.44%
Continental Plastics Company	-		-	288	9	0.42%
All other employers	77,587		86.29%	58,990		86.82%
Total	89,918		100.00%	67,947		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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General Government (1)	139	163	183	204	202	173	168	170	172	171
Judicial	89	87	93	103	106	108	108	119	124	116
Public Health and Welfare	10	13	21	22	25	23	25	27	28	29
Public Safety										
Police	261	281	313	349	381	367	366	367	373	331
Officers	261	281	313	349	381	367	289	285	295	273
Civilians	30	31	42	43	54	57	77	82	78	58
Fire	111	124	140	154	153	140	148	148	145	151
Firefighters and officers	111	124	140	154	153	140	140	140	138	145
Civilians	6	7	7	8	9	9	8	8	7	6
E-911 and Coroners Office	30	31	35	37	42	41	38	37	38	38
Public Works	81	80	84	83	87	80	77	77	79	78
Recreation and Culture	52	56	59	65	64	60	59	60	64	63
Housing and Development	46	53	55	67	65	38	34	35	37	39
Solid Waste	8	7	8	10	9	9	9	9	9	7
Water & Sewer	71	70	74	84	83	74	73	71	74	74
Total	898	965	1,065	1,178	1,217	1,113	1,105	1,120	1,143	1,097

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sheriff										
Physical arrests	4,580	4,556	5,961	6,202	6,251	6,163	5,337	5,032	4,523	4,528
Traffic violations	16,466	16,475	19,363	30,608	36,412	37,305	39,791	30,024	17,140 (1)	11,357 (1)
Fire										
Number of calls answered	8,431	9,313	9,761	10,530	11,075	10,934	11,530	11,566	12,361	12,738
Inspections	3,059	2,619	5,429	4,959	3,948	2,707	3,556	3,897	3,056	2,280
Highways and streets										
Street resurfacing (miles)	41	63	52	57	64	69	80	60	73	46
Potholes repaired	394	429	383	357	420	503	502	305 (2)	322	397
Sanitation										
Refuse collected (tons/day)	7	7	7	6	6	6	6	6	6	6
Recyclables collected (tons/day)	3	4	4	4	6	6	5	6	6	6
Water										
New connections	2,168	3,098	3,059	2,570	630	591	894	1,043	1,603	2,064
Water mains breaks	40	58	63	66	66	54	52	72	61	48
Average daily consumption (thousands of gallons)	8,560	8,780	10,883	10,755	9,197	9,998	11,650	12,160	11,900	10,750
Wastewater										
Average daily sewage treatment (thousands of gallons)	2,000	2,522	3,422	3,461	3,982	3,805	4,124	3,900	3,700	2,740

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Sheriff:										
Precincts	2	2	2	2	2	2	2	2	2	2
Number of vehicles	196	212	210	247	292	318	317	338	338	324
Fire:										
Stations	15	15	15	15	15	13	13	13	13	12
Number of vehicles	59	59	62	64	66	66	67	63	65	66
Highways and streets										
Streets (miles)	907	1,200	1,882	1,104	1,143	1,145	1,095	1,099	1,109	1,114
Streetlights	-	-	-	-	-	-	-	-	22	22
Traffic signals	5	6	6	49	54	61	65	71	70	70
Culture and recreation										
Parks acreage	1,334	1,334	1,603	1,642	1,642	2,500	2,600	3,250	3,250	3,250
Parks	11	13	46	16	16	17	18	18	23	23
Baseball/softball fields	44	44	47	47	47	48	52	52	52	52
Tennis courts	26	26	26	24	24	24	36	36	36	36
Soccer fields	12	12	12	12	12	12	18	24	24	24
Football fields	5	5	5	5	5	5	5	5	20	20
Playgrounds	9	9	12	12	12	12	14	14	20	20
Community centers	5	6	6	6	6	6	6	6	5	5
Water										
Water mains (miles)	785	833	877	912	924	932	939	949	941	948
Fire hydrants	5,179	5,389	5,754	6,100	6,215	6,230	6,413	6,450	6,562	8,775
Sewer										
Sanitary sewers (miles)	270	346	402	454	475	481	483	509	478	497

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)
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
2013	10.75	17.94	50,352	22,983

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

(2) Number at year end.

Single Audit Section

2013 Comprehensive Annual Financial Report

FORSYTHCOUNTY

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

Board of Commissioners
of Forsyth County, Georgia
Cumming, Georgia

We have audited, 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, 2013, 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 23, 2014. 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2013-001 through 2013-003, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 Responses 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 23, 2014

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, 2013. 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, 2013.

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.



Atlanta, Georgia
June 23, 2014

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	$ 292
Edward Byrne Memorial Justice Assistance Grant	16.738	2012-DJ-BX-0325	2,996
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0319	5,570
Total Justice Assistance Grant Cluster			8,858
Passed through the Governor's Office of Children and Families:			
Governor's Office of Children and Families	16.523	JBR-10-01-006	33,807
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0501	17,417
Bulletproof Vest Program	16.607	2013 BPV	14,562
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C12-8-057	26,748
VOCA Victims Assistance Grant (District Attorney)	16.575	C12-8-058	43,558
VOCA Victims Assistance Grant (Sheriff)	16.575	C13-8-022	12,438
VOCA Victims Assistance Grant (District Attorney)	16.575	C13-8-048	17,111
			99,855
Equitable Sharing Program	16.922	GA-0580000	52,710
Total U.S. Department of Justice			227,209
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	T003810 GA-18-4032	98,823
Formula Grants for Other than Urbanized Areas	20.509	T004694	112,732
			211,555
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Grant	20.205	CSSTP-0009-00(316)	278,178
Passed through the Governor's Office of Highway Safety:			
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2012-58-00300	37,520
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2013-58-00384	9,623
			47,143
Total U.S. Department of Transportation			536,876
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Legacy Link, Inc:			
Special Programs for the Aging: Title III, Part B	93.044	427-93-07070254-99	20,973
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	164,977
Nutrition Services Incentive	93.053	427-93-07070254-99	27,864
Total Aging Cluster			213,814
Passed through the Legacy Link, Inc:			
Social Services Block Grant	93.667	427-93-07070254-99	30,088
Passed through the Deanna, Inc:			
Congregate Meal Transportation	93.558	42700-362-23666	26,494
Total U.S. Department of Health and Human Services			270,396

(Continued)

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

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	2013	$ 45,022
Total U.S. Department of the Interior			45,022
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	2012-EP-00-0015	27,623
Emergency Management Performance Grant	97.042	OEM13-600SO1	19,638
Total U.S. Department of Homeland Security			47,261
U.S. ENIVRONMENTAL PROTECTION AGENCY			
Passed through the Georgia Environmental Finance Authority:			
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DWSRF 10-015	58,381
Passed through the Georgia Department of Natural Resources:			
319 Non-point Source Pollution Grant	66.460	751-900559	37,688
Total U.S. Environmental Protection Agency			96,069
Total Expenditures of Federal Awards			$ 1,222,833

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, 2013

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, 2013

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
16.575	VOCA Victims Assistance Grants
20.509	Formula Grants for Other than Urbanized Areas
20.205	Highway Planning and Construction Grant
15.226	Payments in Lieu of Taxes

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, 2013

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-001 Revenue Recognition

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

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

Context/Cause: During our testing, audit adjustments were required to correct current year revenues in the Grants Fund in order to defer the recognition of accrued grant reimbursements for which the revenue was considered earned but was not available for recognition under the County's revenue recognition policy.

Effects: Audit adjustments totaling approximately $338,000 were required to properly report current year revenues and deferred inflows of resources.

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

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that revenues are recognized or deferred based on the County's policy for recognizing revenues.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2013-002 Expenses and Related Balance Sheet Accounts

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: Material misstatements were detected in the reporting of the County's expenditures/expenses and related balance sheet accounts.

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

- In the Water and Sewerage Authority, bond premiums, discounts, and deferred costs of refundings required adjustments of approximately $129,000 to record the current year amortization expense and adjust the balances to reconcile to the subsidiary ledgers.
- In the Water and Sewerage Authority, the allowance for doubtful accounts required an adjustment of approximately $229,000 due to an error in the calculation of the subsidiary ledger which caused the allowance to be overstated.
- In the SPLOST Fund retainage payable liabilities were understated by approximately $720,000 and required an adjustment to record the related costs incurred on the construction project.

Effects: Audit adjustments totaling approximately $1,078,000 were needed to correctly report expenses and related balance sheet accounts.

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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2013-003 Capital Assets

Criteria: Internal controls should be in place to ensure the subsidiary ledgers for the County's governmental activities include all expenditures which are incurred to construct or purchase the asset, including ancillary charges which are directly attributable to the asset.

Condition: Material misstatements were detected in the reporting of the current year additions to the County's governmental activities capital asset balance.

Context/Cause: During our testing, we noted the County's year-end close out procedures did not properly capitalize the year-end accrual of governmental fund capital outlay expenditures, including retainage payable accruals. Additionally, the County was not capitalizing the expenditures incurred for project management fees for the management of the County's new Courthouse, Jail, and Parking Deck project.

Effects: Audit adjustments totaling approximately $4,495,000 were needed to correctly capitalize construction costs into the County's governmental activities capital asset balances.

Recommendation: We recommend the County carefully review expenditures which are reported during the year as well as throughout the year-end close process to ensure the governmental activities properly capture all costs incurred to construct capital assets, including ancillary charges which are directly attributable to the project.

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that all construction costs are captured and reported in the governmental activities subsidiary ledgers.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

None reported