FORSYTH COUNTY
GEORGIA




Prepared by the **FORSYTH**COUNTY Finance Department

# 2014 Comprehensive Annual Financial Report

For the year ended December 31, 2014

# 2014 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, 2014

# Introductory Section

2014 Comprehensive Annual Financial Report

**FORSYTH** COUNTY

# FORSYTH COUNTY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED DECEMBER 31, 2014

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**TABLE OF CONTENTS**


**Page**

**INTRODUCTORY SECTION**

- Table of Contents ..... i-iii
- Letter of Transmittal ..... iv-viii
- Certificate of Achievement for Excellence in Financial Reporting ..... ix
- List of Officials ..... x
- Organizational Chart ..... xi

**FINANCIAL SECTION**

- Independent Auditor's Report ..... 1-4
- Management's Discussion and Analysis ..... 5-16
- Basic Financial Statements:
  - Government-wide Financial Statements:
    - Statement of Net Position ..... 17
    - Statement of Activities ..... 18
  - Fund Financial Statements:
    - Balance Sheet – Governmental Funds ..... 19
    - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds ..... 20
    - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities ..... 21
    - Statement of Net Position – Proprietary Funds ..... 22
    - Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds ..... 23
    - Statement of Cash Flows – Proprietary Funds ..... 24
    - Statement of Fiduciary Net Position – Fiduciary Funds ..... 25
    - Statement of Changes in Net Position – Pension Trust Fund ..... 26
  - Notes to Financial Statements ..... 27-74
- Required Supplementary Information:
  - General Fund – Budgetary Comparison Schedule – GAAP Basis ..... 75 and 76
  - Fire District Fund – Budgetary Comparison Schedule – GAAP Basis ..... 77
  - Schedules of Funding Progress ..... 78
  - Schedule of Changes in the County's Net Pension Liability and Related Ratios ..... 79
  - Schedule of County Contributions ..... 80
  - Schedule of Pension Investment Returns ..... 81
- Combining and Individual Fund Statements and Schedules:
  - Combining Balance Sheet – Nonmajor Governmental Funds ..... 82
  - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds ..... 83

# FORSYTH COUNTY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED DECEMBER 31, 2014

---

**TABLE OF CONTENTS**


**FINANCIAL SECTION (Continued)** **Page**

Combining and Individual Fund Statements and Schedules (Continued):

Victims Rights & Assistance Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 84

Drug Abuse Treatment & Education – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 85

Emergency 911 Telephone System – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 86

Sheriff's Law Enforcement – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 87

District Attorney Seizure – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 88

Law Library – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 89

Juvenile Court – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 90

Grant Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 91

Insurance Premium Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 92

Hotel/Motel Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 93

Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual ..... 94

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds ..... 95

Combining Statement of Net Position – Internal Service Funds ..... 96

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds ..... 97

Combining Statement of Cash Flows – Internal Service Funds ..... 98

Combining Statement of Assets and Liabilities – Agency Funds ..... 99

Statement of Changes in Assets and Liabilities – Agency Funds ..... 100 and 101

**STATISTICAL SECTION**

Financial Trends:

Net Position by Component ..... 102

Changes in Net Position ..... 103 and 104

Fund Balances of Governmental Funds ..... 105 and 106

Changes in Fund Balances of Governmental Funds ..... 107 and 108

General Governmental Tax Revenues by Source ..... 109

# FORSYTH COUNTY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT
## FOR THE YEAR ENDED DECEMBER 31, 2014

---

**TABLE OF CONTENTS**


**STATISTICAL SECTION (Continued)**

**Revenue Capacity:**

**Assessed Value and Estimated Actual Value - All Taxable Property ..... 110**
**Direct and Overlapping Property Tax Rates ..... 111**
**Principal Property Taxpayers ..... 112**
**Property Tax Levies and Collections ..... 113**
**Top 10 Water Customers ..... 114**
**Top 10 Sewer Customers ..... 115**
**Water System Rates, Fees and Charges ..... 116**

**Debt Capacity:**

**Ratios of Outstanding Debt by Type ..... 117**
**Ratios of General Obligation Debt Outstanding ..... 118**
**Direct and Overlapping Governmental Activities Debt ..... 119**
**Legal Debt Margin Information ..... 120**
**Pledged Revenue Coverage ..... 121**

**Demographic and Economic Information:**

**Demographic and Economic Statistics ..... 122**
**Principal Employers - Current and Nine Years Ago ..... 123**

**Operating Information:**

**Full-Time Equivalent County Government Employees by Function ..... 124**
**Operating Indicators by Function ..... 125**
**Capital Asset Statistics by Function ..... 126**
**Water System Statistics ..... 127**

**SINGLE AUDIT SECTION**

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... 128-130**
**Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133 ..... 131-133**
**Schedule of Expenditures of Federal Awards ..... 134 and 135**
**Note to Schedule of Expenditures of Federal Awards ..... 136**
**Schedule of Findings and Questioned Costs ..... 137-141**
**Schedule of Prior Findings ..... 142**

**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 19, 2015

**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, 2014.

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, 2014, 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, 2014, 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 204,302 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 was named Forsyth County as the 7$^{th}$ fastest growing county in the nation as well as the fastest growing county in Georgia for 2014 estimating the county's population expansion by 4.6% between 2013 and 2014. In all, Forsyth added 8,897 new residents during that period. By 2040, Forsyth County's population is projected to increase by 114%. Forsyth County employs more than 92,362 within its boundaries with approximately 6,544 licensed businesses. Existing companies are continuing to expand within our community, serving as our largest source for new jobs. As of December 2014, the county's unemployment rate was 5.3% which is lower than the State of Georgia (6.6%) and the United States (5.6%).

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 still plays a major role in the area's economy. Over the past 5 years nearly 60 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. Northside Hospital-Forsyth is the ranked the number two employer in the county.
- The new University of North Georgia Cumming campus, which opened in fall 2012, is meeting the need for higher education in the northeast Georgia region. Located off Georgia Highway 400 at Pilgrim Mill Road [exit 16], the new instructional center offers a range of two and four year undergraduate programs, graduate programs and professional development opportunities.
- The Forsyth County School system, serving over 42,000 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 4,300 staff members. 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***

- In September 2014, Forsyth County's bond rating was upgraded to AAA with a stable outlook by S&P. The County now retains the highest rating available with both Moody's and Standard and Poor's. Having a high rating allows the County to enjoy lower interest rates and realize monetary savings on bonds.

- On August 22, 2014 Forsyth County's opened its new animal shelter. Construction of the approximately 13,700-square foot facility was funded by the voter-approved Special Purpose Local Option Sales Tax (SPLOST) VII program. The new shelter is located on County Way off of GA 400 in northern Forsyth County.
- On November 4, 2014, Forsyth County voters approved a general obligation bond up to $200 million to finance a variety of transportation projects. Forsyth County will appropriate approximately $81 million for proposed projects in partnership with the Georgia Department of Transportation, leveraging state and federal funding, with the remaining $119 million for county projects.
- In 2014, the County began construction on a new courthouse, jail and parking facilities in downtown Cumming. The construction of the new Forsyth County Courthouse was funded by the Special Purpose Local Option Sales Tax (SPLOST) VII program and was officially opened in spring of 2015.

### *Improved Service Delivery*

- The Forsyth County Fire Department added to its fleet in August, 2014 three new Pierce fire engines. These are critical pieces of equipment that will assist the county firefighters as they perform their emergency response missions.
- In 2014, there were more than 611,000 visits to Forsyth County Public Library branches, more than 2.3 million items checked out, more than 211,000 information questions answered by staff, and more than 89,000 patrons attending library programs.

### *Parks, Recreation and Green Space Bond Dollars at Work*

- The extension of the Big Creek Greenway in Forsyth County neared completion in 2014. 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.

## 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 2013 Annual Update of the Impact Fee Program adopted by the Commission in October 2014. 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 (49% of total 2014 adopted 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, 2013. This was the fourteenth 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, 2014. This was the second 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
Chief Financial Officer

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, 2013**

Executive Director/CEO

# Officials of FORSYTHCOUNTY

## 2014 BOARD OF COMMISSIONERS



**R. J. (Pete) Amos**
Chairman
District 1



**Brian R. Tam**
Secretary
District 2



**Todd Levent**
Member
District 3



**Cindy Jones Mills**
Vice - Chairman
District 4



**Jim Boff**
Member
District 5

## ADMINISTRATION



**Doug Derrer**
County Manager



**Tim Merritt**
Deputy County Manager

## FINANCE



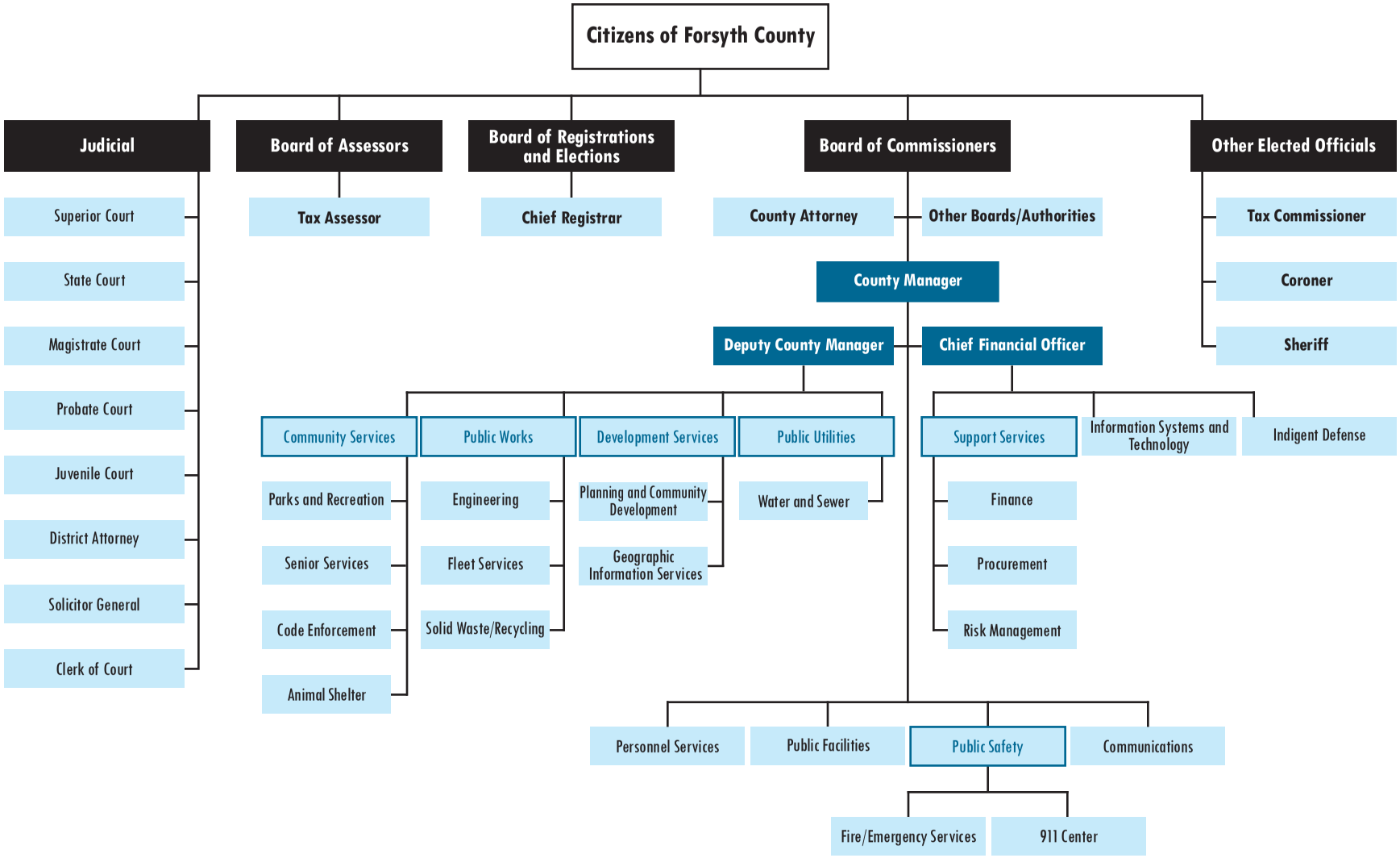
**David Gruen**
Chief Financial Officer

## 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-Maddox | 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 |
| Jim Pryor | Parks & Recreation |
| Pat Carson | Personnel Services |
| Tom Brown | Planning & Community Development |
| Donna Kukarola | Procurement |
| David Thornton | Public Facilities |
| Charity Clark | Risk Management |
| Judy Theilman | Senior Services |
| Tammy Wright | Solid Waste and Recycling |
| Barbara Luth | Voter Registrations & Elections |
| Tim Perkins | Water & Sewer |




# FORSYTHCOUNTY Organizational Chart

# FINANCIAL SECTION

MAULDIN & JENKINS

# 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, 2014, and the related notes to the financial statements, which collectively comprise Forsyth County, Georgia's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forsyth County Health Department, which represents 21 percent, 21 percent, and 19 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 9, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No.25*, as of January 1, 2014. Our opinions are not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 16), the budgetary comparison information for the General Fund and the Fire District Fund (on pages 75 through 77), the schedules of funding progress, the schedule of changes in the County's net pension liability and related ratios, the schedule of County contributions, and the schedule of pension investment returns (on pages 78 through 81) 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, the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, the introductory and the statistical sections, are 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 19, 2015, 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 19, 2015

# MANAGEMENT'S DISCUSSION AND ANALYSIS

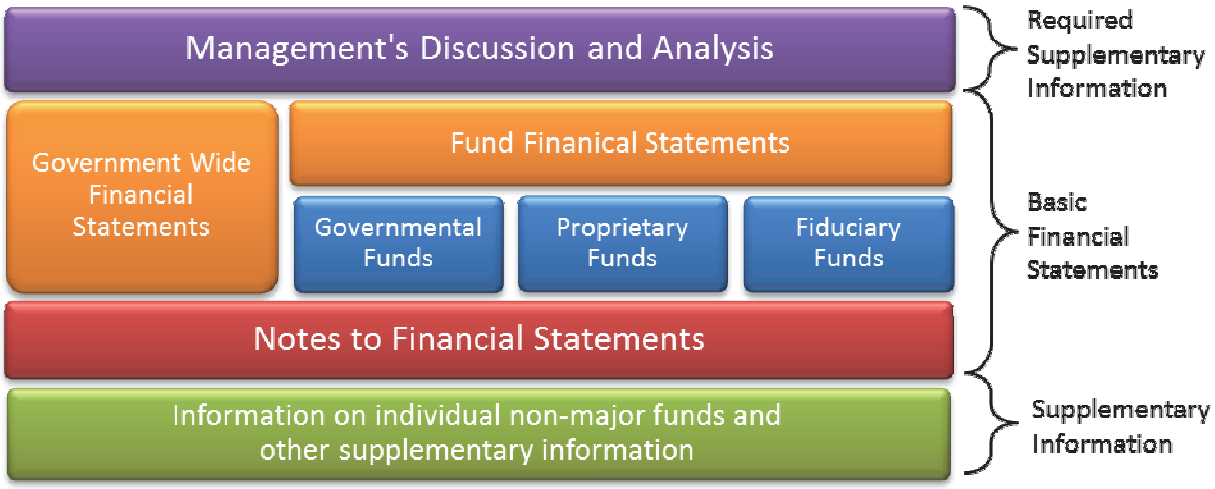
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the transmittal letter on page iv and the County's financial statements, which begin on page 1.

## GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $1.34 billion (net position) at December 31, 2014. Of this amount $970.1 million is governmental activities and $370.0 million is business-type activities.
- The combined revenue total for the County is $267.6 million, a 14.02% increase from 2013. Of the combined total governmental activities is $201.2 million and business-type activities is $66.4 million.
- The combined expense total for the County is $196.1 million, a 5.54% increase from 2013. Of the combined total governmental activities is at $151.9 million and business-type activities is $44.2 million.
- At December 31, 2014, the County's governmental funds reported combined ending fund balance is $170.3 million, a decrease of $5.4 million (3.07%) from the 2013 fund balance. The unassigned fund balance for various governmental funds is $44.3 million.
- The County's total debt increased by $21.5 million (6.95%) from fiscal year 2013, primarily due to the County issuing the additional authorized Sales Tax Bonds for the Courthouse and Jail construction.

## 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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, 2014, the County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, 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 2014, the County used internal service funds to account for risk management, workers' compensation, employee health benefits 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 21-24 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 27-74 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 82-101 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1.34 billion at the close of the most recent fiscal year. This is an increase of $71 million or 5.59% from fiscal year 2013.

**FORSYTH COUNTY, GEORGIA'S NET POSITION**

**December 31, 2014**

($ In thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **ASSETS** | | | | | | |
| Current and other assets | $ 271,318 | $ 261,670 | $ 94,545 | $ 86,312 | $ 365,863 | $ 347,982 |
| Capital assets (net of depreciation) | 956,458 | 878,977 | 463,613 | 446,625 | 1,420,071 | 1,325,602 |
| TOTAL ASSETS | 1,227,776 | 1,140,647 | 558,158 | 532,937 | 1,785,934 | 1,673,584 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 1,635 | 2,093 | 6,669 | 7,186 | 8,304 | 9,279 |
| **LIABILITIES** | | | | | | |
| Other liabilities | 23,430 | 17,260 | 34,715 | 26,963 | 58,145 | 44,223 |
| Long-term liabilities outstanding | 171,072 | 144,791 | 160,131 | 164,892 | 331,203 | 309,683 |
| TOTAL LIABILITIES | 194,502 | 162,051 | 194,846 | 191,855 | 389,348 | 353,906 |
| **DEFERRED INFLOWS OF RESOURCES** | 64,825 | 60,325 | - | - | 64,825 | 60,325 |
| **NET POSITION** | | | | | | |
| Net investment in capital assets | 824,767 | 773,963 | 312,319 | 291,107 | 1,137,086 | 1,065,070 |
| Restricted | 71,647 | 78,987 | 4,326 | 4,315 | 75,973 | 83,302 |
| Unrestricted | 73,670 | 67,414 | 53,336 | 52,846 | 127,006 | 120,260 |
| TOTAL NET POSITION | $ 970,084 | $ 920,364 | $ 369,981 | $ 348,268 | $ 1,340,065 | $ 1,268,632 |

The largest component of the County's net position, $1.14 billion (84.85%) at December 31, 2014, 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, $76.0 million (5.67%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $127.0 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 $49.7 million (5.40%), 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 $21.7 million (6.23%) The county's overall net position increased indicating that the County's financial position has remained constant since 2013.

**Changes in Net Position**. Governmental and business-type activities increased the County's net position before transfers by $71.5 million by the end December 31, 2014.

The table below gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2013 and 2014.

**FORSYTH COUNTY, GEORGIA'S CHANGES IN NET POSITION**
**For the Years Ended December 31, 2014 and 2013**
($ In thousands)

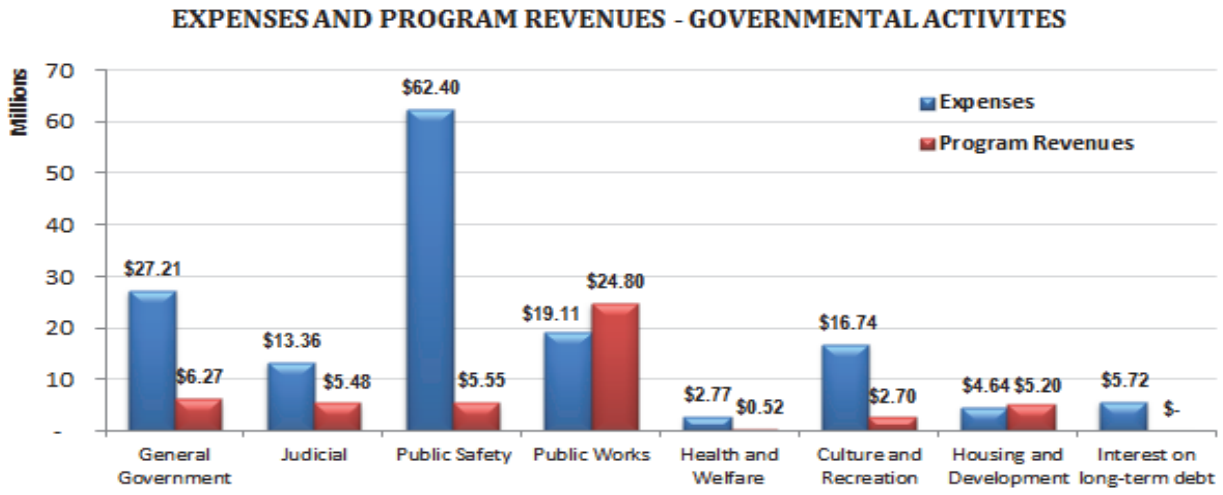
| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| **REVENUES** | | | | | | |
| **Program Revenues:** | | | | | | |
| Charges for services | $ 28,585 | $ 27,568 | $ 36,800 | $ 35,568 | $ 65,385 | $ 63,136 |
| Operating grants and contributions | 3,736 | 1,658 | - | - | 3,736 | 1,658 |
| Capital grants and contributions | 18,186 | 12,055 | 29,343 | 15,699 | 47,529 | 27,754 |
| **General Revenues:** | | | | | | |
| Property taxes | 65,927 | 65,424 | - | - | 65,927 | 65,424 |
| Sales taxes | 62,001 | 57,337 | - | - | 62,001 | 57,337 |
| Title ad valorem taxes | 8,539 | - | - | - | 8,539 | - |
| Insurance premium tax | 8,335 | 7,899 | - | - | 8,335 | 7,899 |
| Other taxes | 4,451 | 9,854 | - | - | 4,451 | 9,854 |
| Unrestricted investment earnings | 775 | 668 | 210 | 139 | 985 | 807 |
| Other | 673 | 781 | - | - | 673 | 781 |
| TOTAL REVENUES | 201,208 | 183,244 | 66,353 | 51,406 | 267,561 | 234,650 |
| **EXPENSES** | | | | | | |
| General Government | 27,208 | 20,445 | - | - | 27,208 | 20,445 |
| Judicial | 13,360 | 11,888 | - | - | 13,360 | 11,888 |
| Public Safety | 62,404 | 58,783 | - | - | 62,404 | 58,783 |
| Public Works | 19,105 | 25,270 | - | - | 19,105 | 25,270 |
| Health and Welfare | 2,767 | 2,686 | - | - | 2,767 | 2,686 |
| Culture and Recreation | 16,743 | 14,243 | - | - | 16,743 | 14,243 |
| Housing and Development | 4,643 | 7,305 | - | - | 4,643 | 7,305 |
| Interest | 5,723 | 5,353 | - | - | 5,723 | 5,353 |
| Solid Waste Disposal Facility | - | - | 792 | 672 | 792 | 672 |
| Water and Sewer | - | - | 43,383 | 39,159 | 43,383 | 39,159 |
| TOTAL EXPENSES | 151,953 | 145,973 | 44,175 | 39,831 | 196,128 | 185,804 |
| Increase in net position before transfers | 49,255 | 37,271 | 22,178 | 11,575 | 71,433 | 48,846 |
| Transfers | 465 | 500 | (465) | (500) | - | - |
| Increase in net position | 49,720 | 37,771 | 21,713 | 11,075 | 71,433 | 48,846 |
| Net position, beginning of year | 920,364 | 882,593 | 348,268 | 337,193 | 1,268,632 | 1,219,786 |
| Net position, end of year | $ 970,084 | $ 920,364 | $ 369,981 | $ 348,268 | $ 1,340,065 | $ 1,268,632 |

Source: Statement of Activities

***Governmental Activities***. Governmental activities increased the County's net position by $49.7 million thereby accounting for 69.65% of the total growth in net position. Key elements of this increase are as follows:

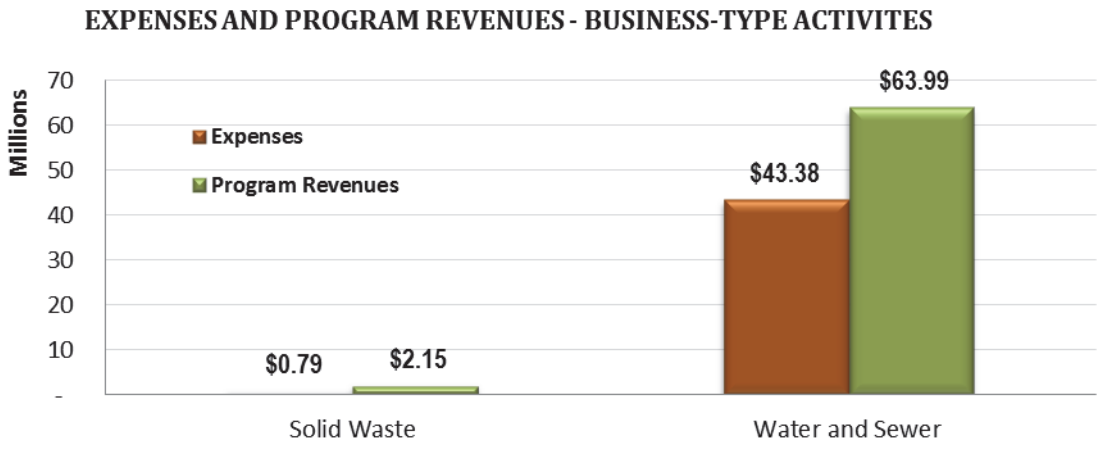
- The County's governmental activities relied on the following revenue sources in 2014: $28.6 million in charges for services, $21.9 million for grants and contributions, $149.3 million in taxes, $0.8 million in investment earning and $0.6 million in other revenue. Total program and general revenue for 2014 is $201.2 million.
- Total revenues for governmental activities increased by $18.0 million or 9.82% from fiscal year 2013. Property taxes totaling $65.9 million is the largest revenue source for the county. Operating grants and contributions increased by $2.1 million, while capital grants and contributions increased by $6.1 million. Sales tax revenues combined with the new Title Ad Valorem Tax increased by $7.3 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 2014 increased by $6.0 million or 4.14% from 2013. The largest increase was $6.8 million in general government.

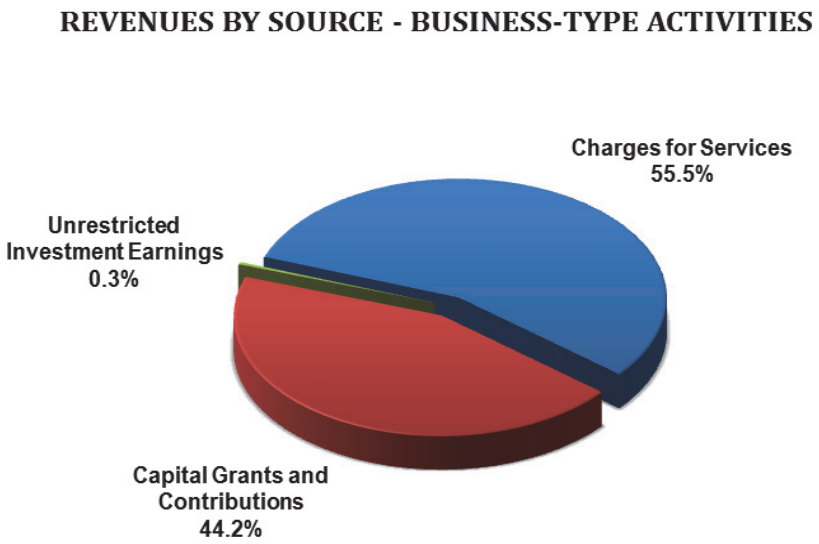
The charts below illustrate expenses vs. program revenues by category and the distribution of revenues for governmental activities.



***Business-type activities***. Business-type activities increased the County's net position by $21.7 million, accounting for 30.35% of the total growth in net position. A key element of this increase is Water and Sewer Authority program revenues increase of $14.6 million (29.67%), due to an increase in 2014 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**

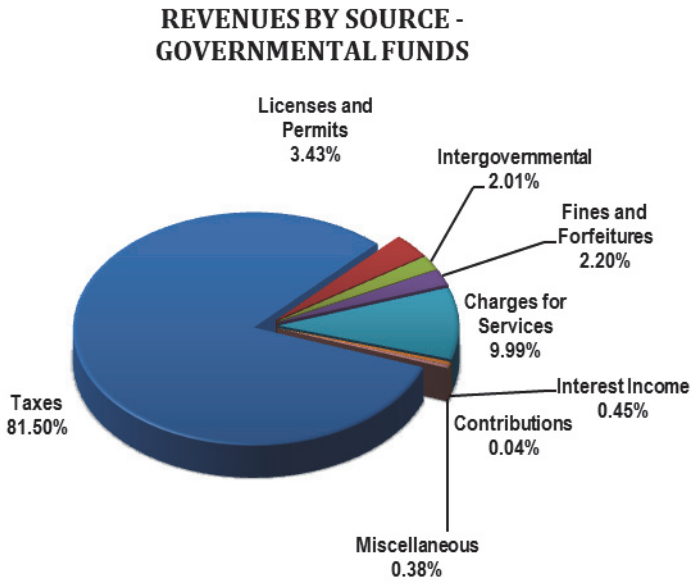
($ in thousands)

| | 2014 | 2013 | Inc/Dec | % Inc/Dec |
|---|---|---|---|---|
| General Fund | $ 51,451 | $ 47,404 | $ 4,047 | 8.54% |
| Fire District Fund | 6,216 | 6,567 | (351) | -5.34% |
| SPLOST Fund | 28,179 | 39,029 | (10,850) | -27.80% |
| Capital Projects Fund | 49,477 | 49,446 | 31 | 0.06% |
| Nonmajor Governmental Funds | 34,985 | 33,312 | 1,673 | 5.02% |
| Fund Balance | $ 170,308 | $ 175,758 | $ (5,450) | **-3.10%** |

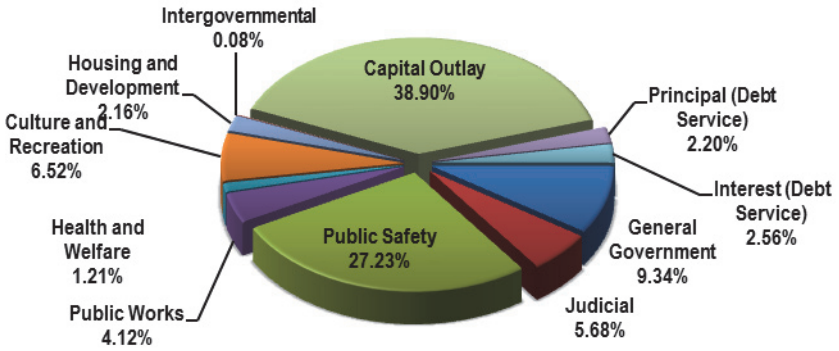
Source: Statement of Revenues, Expenditures and Changes in Fund Balances

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $170.3 million, a decrease of $5.4 million in comparison with the fund balance for 2013. Approximately 26.01% of this total amount, $44.3 million, constitutes unassigned which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted and assigned to indicate that it is not available for new spending because it has been restricted by state law for specific projects, to liquidate contracts and purchase orders of the prior period, to pay debt service, and for a variety of other purposes.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance was $46.7 million, which represents 90.68% of total general fund balance. The fund balance increased by $4.1 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 $0.4 million during the current fiscal year. This decrease is due to the capital outlay in 2014 for the purchase of fire engines for the Fire District.

The fund balance of the County's SPLOST fund decreased by $10.9 million during the current fiscal year. This is due to the construction of the jail/courthouse project.

The fund balance of the County's capital projects fund increased by $31 thousand during the current fiscal year. The capital projects fund has an ending fund balance of $49.5 million. The increase is due to $3.7 million in transfers of Title Ad Valorem Taxes (TAVT) in 2014.

**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 $34.8 million, an increase of $1.2 million from 2013. This is due to an increase in water and sewer sales revenues. The department's water customer count grew by 1,957, or 3.89%, new connections to a year-end total of 52,309 and sewer customer count increased by 1,847, or 8.04%, to a year-end total of 24,830. Total operating expenses were $37.8 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2014 is $1.420 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide net additions in 2014 are $94.5 million with $77.5 million in government-type activities and $17.0 million net increase in business-type activities. Net investment in capital assets is $1.420 billion with $956.5 million for governmental activities and $463.6 million for business-type activities. This is a 7.13% increase from the previous fiscal year.

**FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS**
**(in the thousands)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land and improvements | $ 413,610 | $ 404,704 | $ 28,958 | $ 28,971 | $ 442,568 | $ 433,675 |
| Infrastructure land improvements | 161,527 | 158,150 | - | - | 161,527 | 158,150 |
| Construction in progress | 94,803 | 40,473 | 20,552 | 10,829 | 115,355 | 51,302 |
| Buildings and improvements | 110,356 | 100,259 | 15,136 | 15,502 | 125,492 | 115,761 |
| Machinery and equipment | 15,178 | 15,699 | 3,317 | 3,408 | 18,495 | 19,107 |
| Vehicles | 8,802 | 6,202 | 621 | 358 | 9,423 | 6,560 |
| Sewer capacity rights | - | - | 17,456 | 18,918 | 17,456 | 18,918 |
| Infrastructure | 152,182 | 153,490 | 377,573 | 368,639 | 529,755 | 522,129 |
| **Total** | $ 956,458 | $ 878,977 | $ 463,613 | $ 446,625 | $ 1,420,071 | $ 1,325,602 |

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

- New Animal Shelter with about 13,700 sq. ft., now operated by the county, opened in August 2014.
- Two new parking decks were constructed in downtown Cumming – five level 491 space Mason Street facility opened in December 2014; three level 222 space Castleberry Road deck began service in June 2014.
- New artificial turf rectangular sports fields were installed at Joint Venture Park (Dave's Creek elementary) in February and Fowler Park in April 2014.
- Additional Big Creek Greenway Trailhead opened at Union Hill Road in August 2014.
- Central Park new playground ribbon cutting in November 2014.

Additional information on the County's capital assets can be found in Note 6, on pages 46-49.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $303.9 million. Of this amount $152.8 million consists of general obligation bonds backed by the full faith and credit of the government and $151.1 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's bonded debt increased by $19.6 million primarily due to the County's additional sales tax bonds issued for construction of the new courthouse and jail.

The County maintains an exceptionally positive credit rating in the current fiscal year with Moody's (Aaa) and Standard & Poor's (AAA) 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, on pages 51-60.

## 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 75 and 76.

**GENERAL FUND**

for the year ended December 31, 2014

| | Budgeted Amoutns | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| General Government and Debt Service | $ 22,914,400 | $ 23,235,602 | $ 17,628,947 | $ (5,606,655) |
| Judicial | 11,601,100 | 11,854,666 | 11,298,791 | (555,875) |
| Public Safety | 36,401,700 | 38,614,078 | 37,134,545 | (1,479,533) |
| Public Works | - | 5,500 | 6,877 | 1,377 |
| Health and Welfare | 1,277,800 | 1,476,600 | 1,462,261 | (14,339) |
| Culture and Recreation | 13,006,000 | 13,020,565 | 12,443,951 | (576,614) |
| Housing and Development | 4,589,500 | 4,654,962 | 4,251,532 | (403,430) |
| **Total Expenditures** | $ 89,790,500 (1) | $ 92,861,973 | $ 84,226,904 | $ (8,635,069) |

(1) The adopted General Fund expenditure budget included transfers to other funds ($3,080,500) and reserves ($1,855,200) which are 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 $93.9 million in the original budget increased to $94.0 million at year end, due to an increase in permits revenues by $65 thousand. Total revenues ended at $101.8 million, $7.8 million above the final budget. The original adopted expenditure budget of $89.8 million plus $0.9 million in other financing sources and uses to assist funding between county funds was amended to $92.9 million.

However, by year end actual expenditures for the general fund were $84.2 million, $8.6 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $5.6 million under final budget due to significant savings on technology maintenance contract costs and reduced needs for facility renovations.
- Public Safety $1.5 million under final budget due to improved management of costs from the County Sheriff's office.
- Judicial $0.6 million under final budget due to a decrease in the personnel and juror costs being less than anticipated.

Forsyth County's general fund 2014 final budget is $92.9 million, a decrease of 0.43% from the 2013 budget.

## ECONOMIC FACTORS AND THE 2015 BUDGET

Forsyth County's 2015 budget is a reflection of the financial position of the County in 2014. During 2014, 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 0.7% from 2013. This compares favorably to the State of Georgia's unemployment rate at 6.6%, and the national unemployment rate of 5.6% at the end of 2014.
- LOST and SPLOST revenues when supplemented by the new Title Ad Valorem Tax increased by $6.1 million, a 9.8% increase from fiscal year 2013. An increase is also projected for the 2015 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2014 millage rate for Maintenance and Operations, Fire and Debt Service remained at 7.656 mills. The 2015 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 2015.

**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

2014 Comprehensive Annual Financial Report

**FORSYTH** COUNTY

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## DECEMBER 31, 2014

| ASSETS | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Health Department | Library System |
| Cash and cash equivalents | $ 184,620,318 | $ 62,436,389 | $ 247,056,707 | $ 686,765 | $ 2,004,876 |
| Investments | 39,617,578 | 23,055,553 | 62,673,131 | 501,743 | - |
| Receivables (net of allowance for uncollectibles) | 1,698,036 | 2,472,625 | 4,170,661 | 72,641 | 54,516 |
| Taxes receivable | 2,411,446 | - | 2,411,446 | - | - |
| Intergovernmental receivables | 9,491,665 | 235,899 | 9,727,564 | - | 22,389 |
| Prepaid items | 540,306 | 122,272 | 662,578 | - | 122,922 |
| Inventories | 887,646 | 1,008,722 | 1,896,368 | - | - |
| Internal balances | (775,376) | 775,376 | - | - | - |
| Other assets | 2,196,128 | - | 2,196,128 | - | - |
| Net pension asset | 3,256,725 | - | 3,256,725 | - | - |
| Restricted assets: | | | | | |
| Restricted cash and cash equivalents | 3,955,718 | 4,325,450 | 8,281,168 | - | - |
| Investments | 23,417,878 | - | 23,417,878 | - | - |
| Note receivable | - | 111,870 | 111,870 | - | - |
| Capital assets, nondepreciable | 669,940,394 | 56,938,157 | 726,878,551 | - | 18,090 |
| Capital assets, depreciable, net of accumulated depreciation | 286,517,766 | 406,674,895 | 693,192,661 | 18,867 | 2,647,661 |
| Total assets | 1,227,776,228 | 558,157,208 | 1,785,933,436 | 1,280,016 | 4,870,454 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred charges on refunding | 1,635,305 | 6,669,094 | 8,304,399 | - | - |
| Total deferred outflows of resources | 1,635,305 | 6,669,094 | 8,304,399 | - | - |
| **LIABILITIES** | | | | | |
| Accounts payable | 20,894,844 | 3,893,284 | 24,788,128 | 7,724 | 96,053 |
| Accrued liabilities | 2,535,484 | 1,749,463 | 4,284,947 | - | 115,357 |
| Customer deposits payable | - | 3,282,238 | 3,282,238 | - | - |
| Unearned revenue | - | 25,789,700 | 25,789,700 | - | - |
| Noncurrent liabilities due within one year | | | | | |
| Capital lease payable | 37,039 | - | 37,039 | - | - |
| Compensated absences payable | 4,838,378 | 426,621 | 5,264,999 | 72,000 | 170,044 |
| Note payable | - | 257,015 | 257,015 | | |
| Claims payable | 2,138,756 | - | 2,138,756 | - | - |
| Landfill closure and postclosure | - | 110,594 | 110,594 | - | - |
| Bonds payable | 32,405,000 | 4,030,000 | 36,435,000 | - | - |
| Noncurrent liabilities due in more than one year | | | | | |
| Capital lease payable | 119,755 | - | 119,755 | - | - |
| Compensated absences payable | 1,141,489 | 106,655 | 1,248,144 | 40,401 | 39,048 |
| Note payable | - | 6,569,139 | 6,569,139 | - | - |
| Claims payable | 2,021,178 | - | 2,021,178 | - | - |
| Net OPEB obligation | 242,890 | - | 242,890 | - | - |
| Landfill closure and postclosure | - | 1,523,802 | 1,523,802 | - | - |
| Certificates of participation | 7,777,000 | - | 7,777,000 | - | - |
| Bonds payable | 120,350,882 | 147,106,980 | 267,457,862 | - | - |
| Total liabilities | 194,502,695 | 194,845,491 | 389,348,186 | 120,125 | 420,502 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unearned revenues - property taxes | 62,629,013 | - | 62,629,013 | - | - |
| Accumulated increase in fair value of hedging derivative | 2,196,128 | - | 2,196,128 | - | - |
| Total deferred inflows of resources | 64,825,141 | - | 64,825,141 | - | - |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 824,767,385 | 312,319,012 | 1,137,086,397 | 18,867 | 2,665,751 |
| Restricted for: | | | | | |
| Judicial services | 118,606 | - | 118,606 | - | - |
| Public safety services | 8,782,699 | - | 8,782,699 | - | - |
| Public works | 3,021,431 | - | 3,021,431 | - | - |
| Health and welfare | - | - | - | 383,137 | - |
| Debt service | 18,461,863 | 4,325,450 | 22,787,313 | - | - |
| Capital projects | 41,157,424 | - | 41,157,424 | - | 452,517 |
| Jail construction and equipping | 104,408 | - | 104,408 | - | - |
| Unrestricted | 73,669,881 | 53,336,349 | 127,006,230 | 757,887 | 1,331,684 |
| Total net position | $ 970,083,697 | $ 369,980,811 | $ 1,340,064,508 | $ 1,159,891 | $ 4,449,952 |

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

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES
## FOR THE YEAR ENDED DECEMBER 31, 2014

| 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 | $ 27,209,338 | $ 5,946,602 | $ 321,855 | $ - |
| Judicial | 13,359,769 | 4,657,502 | 805,671 | - |
| Public safety | 62,404,223 | 5,286,073 | 253,655 | 12,335 |
| Public works | 19,105,138 | 4,767,727 | 1,862,881 | 18,173,773 |
| Health and welfare | 2,766,877 | 81,427 | 439,402 | - |
| Cuture and recreation | 16,742,801 | 2,643,567 | 52,700 | - |
| Housing and development | 4,642,456 | 5,202,119 | - | - |
| Interest on long-term debt | 5,723,386 | - | - | - |
| Total governmental activities | 151,953,988 | 28,585,017 | 3,736,164 | 18,186,108 |
| Business-type activities: | | | | |
| Water and sewer | 43,382,560 | 34,772,661 | - | 29,219,289 |
| Solid waste | 791,820 | 2,027,127 | - | 123,338 |
| Total business-type activities | 44,174,380 | 36,799,788 | - | 29,342,627 |
| Total primary government | $ 196,128,368 | $ 65,384,805 | $ 3,736,164 | $ 47,528,735 |
| **Component units:** | | | | |
| Health Department | $ 1,553,698 | $ 763,031 | $ 706,840 | $ - |
| Library System | 11,683,926 | 235,050 | 342,674 | 1,589,766 |
| Total component units | $ 13,237,624 | $ 998,081 | $ 1,049,514 | $ 1,589,766 |

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, restated

Net position, end of year

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

| Net (Expense) Revenue and Changes in Net Position | | | | | |
|---|---|---|---|---|---|
| Primary Government | | | | Component Units | |
| Governmental Activities | Business-type Activities | Total | | Health Department | Library System |
| $ (20,940,881) | $ - | $ (20,940,881) | | $ - | $ - |
| (7,896,596) | - | (7,896,596) | | - | - |
| (56,852,160) | - | (56,852,160) | | - | - |
| 5,699,243 | - | 5,699,243 | | - | - |
| (2,246,048) | - | (2,246,048) | | - | - |
| (14,046,534) | - | (14,046,534) | | - | - |
| 559,663 | - | 559,663 | | - | - |
| (5,723,386) | - | (5,723,386) | | - | - |
| (101,446,699) | - | (101,446,699) | | - | - |
| - | 20,609,390 | 20,609,390 | | | |
| - | 1,358,645 | 1,358,645 | | - | - |
| - | 21,968,035 | 21,968,035 | | - | - |
| $ (101,446,699) | $ 21,968,035 | $ (79,478,664) | | $ - | $ - |
| $ - | $ - | $ - | | $ (83,827) | $ - |
| - | - | - | | - | (9,516,436) |
| $ - | $ - | $ - | | $ (83,827) | $ (9,516,436) |
| $ 65,926,979 | $ - | $ 65,926,979 | | $ - | $ - |
| 62,001,143 | - | 62,001,143 | | - | - |
| 8,538,947 | - | 8,538,947 | | - | - |
| 8,335,531 | - | 8,335,531 | | - | - |
| 2,517,325 | - | 2,517,325 | | - | - |
| 1,933,547 | - | 1,933,547 | | - | - |
| 775,063 | 209,669 | 984,732 | | - | 931 |
| - | - | - | | - | 4,786,349 |
| 673,189 | - | 673,189 | | 153,165 | - |
| 465,051 | (465,051) | - | | - | - |
| 151,166,775 | (255,382) | 150,911,393 | | 153,165 | 4,787,280 |
| 49,720,076 | 21,712,653 | 71,432,729 | | 69,338 | (4,729,156) |
| 920,363,621 | 348,268,158 | 1,268,631,779 | | 1,090,553 | 9,179,108 |
| $ 970,083,697 | $ 369,980,811 | $ 1,340,064,508 | | $ 1,159,891 | $ 4,449,952 |

# FORSYTH COUNTY, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## DECEMBER 31, 2014

| ASSETS | General | Fire District | SPLOST | Capital Projects | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 55,300,191 | $ 9,844,541 | $ 44,435,457 | $ 23,686,580 | $ 45,857,468 | $ 179,124,237 |
| Investments | 25,574,911 | 11,714,728 | - | - | - | 37,289,639 |
| Receivables (net of allowance for uncollectibles) | 977,151 | 14,116 | - | 5,922 | 559,210 | 1,556,399 |
| Taxes receivable | 1,535,982 | 577,728 | - | - | 297,736 | 2,411,446 |
| Intergovernmental receivables | 2,905,821 | - | 3,410,778 | - | 3,175,066 | 9,491,665 |
| Due from other funds | 3,775,431 | - | - | - | - | 3,775,431 |
| Inventories | 331,299 | 361,956 | - | - | - | 693,255 |
| Prepaid items | 55,573 | - | - | - | - | 55,573 |
| Restricted assets: | | | | | | |
| Cash | - | - | 10,000 | 3,945,718 | - | 3,955,718 |
| Investments | - | - | - | 23,417,878 | - | 23,417,878 |
| Advance to other funds | 3,530,651 | - | - | - | - | 3,530,651 |
| Total assets | $ 93,987,010 | $ 22,513,069 | $ 47,856,235 | $ 51,056,098 | $ 49,889,480 | $ 265,301,892 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOUCES, AND FUND BALANCES** | | | | | | |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ 2,188,072 | $ 138,353 | $ 16,146,288 | $ 779,434 | $ 1,417,037 | $ 20,669,184 |
| Other accrued liabilities | 878,863 | - | - | - | - | 878,863 |
| Due to other funds | - | - | - | 800,000 | 2,975,431 | 3,775,431 |
| Advance from other funds | - | - | 3,530,651 | - | - | 3,530,651 |
| Total liabilities | 3,066,935 | 138,353 | 19,676,939 | 1,579,434 | 4,392,468 | 28,854,129 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue - property taxes | 429,186 | 135,885 | - | - | 58,918 | 623,989 |
| Unavailable revenue - intergovernmental | - | - | - | - | 2,886,414 | 2,886,414 |
| Unearned revenue - property taxes | 39,039,695 | 16,023,235 | - | - | 7,566,083 | 62,629,013 |
| Total deferred inflows of resources | 39,468,881 | 16,159,120 | - | - | 10,511,415 | 66,139,416 |
| **FUND BALANCES** | | | | | | |
| Fund balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepaids | 55,573 | - | - | - | - | 55,573 |
| Inventories | 331,299 | 361,956 | - | - | - | 693,255 |
| Long term advances | 3,530,651 | - | - | - | - | 3,530,651 |
| Restricted: | | | | | | |
| Judicial services | - | - | - | - | 118,606 | 118,606 |
| Public safety services | - | 5,853,640 | - | - | 2,793,174 | 8,646,814 |
| Public works | - | - | - | - | 3,021,431 | 3,021,431 |
| Capital projects | - | - | 28,179,296 | 27,363,596 | 12,978,128 | 68,521,020 |
| Jail construction and eqiupping | - | - | - | - | 104,408 | 104,408 |
| Debt service | - | - | - | - | 18,402,945 | 18,402,945 |
| Committed: | | | | | | |
| Tree replacement | 62,531 | - | - | - | - | 62,531 |
| Assigned: | | | | | | |
| Use of reserves in subsequent budget | 77,000 | - | - | - | - | 77,000 |
| Professional services | 128,848 | - | - | - | - | 128,848 |
| Capital projects | 228,548 | - | - | 22,113,068 | - | 22,341,616 |
| Supplies and materials | 342,336 | - | - | - | - | 342,336 |
| Unassigned | 46,694,408 | - | - | - | (2,433,095) | 44,261,313 |
| Total fund balances | 51,451,194 | 6,215,596 | 28,179,296 | 49,476,664 | 34,985,597 | 170,308,347 |
| Total liabilities, deferred inflows of resources and fund balances | $ 93,987,010 | $ 22,513,069 | $ 47,856,235 | $ 51,056,098 | $ 49,889,480 | |

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. | 956,277,300 |
| Internal service funds are used by the County to charge cost to other funds. The assets and liabilities are included in the governmental activities. | 3,596,566 |
| Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds. | 3,510,403 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (166,865,644) |
| Other assets that are not a current financial resource used in governmental activities and therefore are not reported in governmental funds. | 3,256,725 |
| Net position of governmental activities | $ 970,083,697 |

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

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

| | General | Fire Distirct | SPLOST | Capital Projects | Nonmajor Governmental Funds | Total |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| Taxes | $ 82,425,507 | $ 16,875,122 | $ 33,292,316 | $ - | $ 16,656,389 | $ 149,249,334 |
| Licenses and permits | 6,240,234 | - | - | - | 46,040 | 6,286,274 |
| Intergovernmental | 609,589 | 2,400 | - | - | 3,059,617 | 3,671,606 |
| Fines and forfeitures | 2,245,338 | - | - | - | 1,766,912 | 4,012,250 |
| Charges for services | 9,599,624 | - | - | - | 8,686,869 | 18,286,493 |
| Interest income | 171,515 | 20,005 | 48,645 | 548,804 | 34,739 | 823,708 |
| Contributions | 31,958 | 7,534 | - | 11,460 | 25,941 | 76,893 |
| Miscellaneous | 498,822 | 44,732 | 31,000 | 81,001 | 48,634 | 704,189 |
| Total revenues | 101,822,587 | 16,949,793 | 33,371,961 | 641,265 | 30,325,141 | 183,110,747 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| General government | 17,585,965 | - | - | 36,525 | 2,796,154 | 20,418,644 |
| Judicial | 11,298,791 | - | - | - | 1,117,644 | 12,416,435 |
| Public safety | 37,134,545 | 17,274,479 | - | - | 5,127,621 | 59,536,645 |
| Public works | 6,877 | - | 24,694 | 31,108 | 8,936,207 | 8,998,886 |
| Health and welfare | 1,462,261 | - | - | - | 1,190,390 | 2,652,651 |
| Culture and recreation | 12,443,951 | - | 1,734,525 | 31,204 | 52,700 | 14,262,380 |
| Housing and development | 4,251,532 | - | - | - | 465,203 | 4,716,735 |
| Intergovernmental expenditures | - | - | 183,143 | - | - | 183,143 |
| Capital outlay | - | - | 71,464,063 | 13,346,698 | 239,764 | 85,050,525 |
| Debt service: | | | | | | |
| Principal | 35,687 | - | - | - | 4,765,000 | 4,800,687 |
| Interest | 7,295 | - | - | 395,630 | 5,190,954 | 5,593,879 |
| Total expenditures | 84,226,904 | 17,274,479 | 73,406,425 | 13,841,165 | 29,881,637 | 218,630,610 |
| Excess (deficiency) of revenues over expenditures | 17,595,683 | (324,686) | (40,034,464) | (13,199,900) | 443,504 | (35,519,863) |
| **Other financing sources (uses):** | | | | | | |
| Proceeds from sale of capital assets | - | 6,000 | - | - | - | 6,000 |
| Issuance of long term debt | - | - | 29,599,000 | - | - | 29,599,000 |
| Transfers in | 800,000 | 19,645 | - | 13,230,247 | 1,548,161 | 15,598,053 |
| Transfers out | (14,348,541) | (52,653) | (414,044) | - | (317,764) | (15,133,002) |
| Total other financing sources (uses) | (13,548,541) | (27,008) | 29,184,956 | 13,230,247 | 1,230,397 | 30,070,051 |
| Net change in fund balances | 4,047,142 | (351,694) | (10,849,508) | 30,347 | 1,673,901 | (5,449,812) |
| **Fund balances, beginning of year** | 47,404,052 | 6,567,290 | 39,028,804 | 49,446,317 | 33,311,696 | 175,758,159 |
| **Fund balances, end of year** | $ 51,451,194 | $ 6,215,596 | $ 28,179,296 | $ 49,476,664 | $ 34,985,597 | $ 170,308,347 |

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

# 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, 2014

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | (5,449,812) |
| 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. | | 68,472,258 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. | | 8,985,692 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 2,553,003 |
| 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. | | (24,798,313) |
| 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. | | 122,509 |
| Internal service funds are used by management to charge the costs of insurance plans, workers' compensation insurance, administrative costs, and fleet maintenance costs to individual funds. The net expense of the internal service funds is reported with governmental activities. | | (165,261) |
| Change in net position - governmental activities | $ | 49,720,076 |

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

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## PROPRIETARY FUNDS

## DECEMBER 31, 2014

| ASSETS | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| Current assets: | | | | |
| Cash | $ 58,119,420 | $ 4,316,969 | $ 62,436,389 | $ 5,496,081 |
| Investments | 23,055,553 | - | 23,055,553 | 2,327,939 |
| Receivables (net of allowance for uncollectibles) | 2,003,908 | 468,717 | 2,472,625 | 141,637 |
| Due from other governments | 235,899 | - | 235,899 | - |
| Inventories | 1,008,722 | - | 1,008,722 | 194,391 |
| Prepaid items | 122,272 | - | 122,272 | 484,733 |
| Restricted assets: | | | | |
| Cash | 4,325,450 | - | 4,325,450 | - |
| Total current assets | 88,871,224 | 4,785,686 | 93,656,910 | 8,644,781 |
| Noncurrent assets: | | | | |
| Note receivable | 111,870 | - | 111,870 | - |
| Capital assets: | | | | |
| Capital assets, not being depreciated | 56,348,427 | 589,730 | 56,938,157 | - |
| Capital assets, being depreciated | 518,096,877 | 1,365,946 | 519,462,823 | 720,088 |
| Less accumulated depreciation | (112,227,315) | (560,613) | (112,787,928) | (539,228) |
| Total capital assets, net of accumulated depreciation | 462,217,989 | 1,395,063 | 463,613,052 | 180,860 |
| Total assets | 551,201,083 | 6,180,749 | 557,381,832 | 8,825,641 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred charges on refunding | 6,669,094 | - | 6,669,094 | - |
| Total deferred outflows of resources | 6,669,094 | - | 6,669,094 | - |
| **LIABILITIES** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 3,861,602 | 31,682 | 3,893,284 | 225,660 |
| Accrued expenses | 1,749,463 | - | 1,749,463 | - |
| Customer deposits payable | 3,282,238 | - | 3,282,238 | - |
| Unearned revenue | 25,789,700 | - | 25,789,700 | - |
| Claims payable, current | - | - | - | 2,138,756 |
| Compensated absences, current | 400,214 | 26,407 | 426,621 | 54,484 |
| Note payable, current | 257,015 | - | 257,015 | - |
| Landfill postclosure, current | - | 110,594 | 110,594 | - |
| Revenue bonds payable, current | 4,030,000 | - | 4,030,000 | - |
| Total current liabilities | 39,370,232 | 168,683 | 39,538,915 | 2,418,900 |
| Long-term liabilities: | | | | |
| Claims payable | - | - | - | 2,021,178 |
| Compensated absences | 100,053 | 6,602 | 106,655 | 13,621 |
| Note payable | 6,569,139 | - | 6,569,139 | - |
| Landfill postclosure | - | 1,523,802 | 1,523,802 | - |
| Revenue bonds payable | 147,106,980 | - | 147,106,980 | - |
| Total long-term liabilities | 153,776,172 | 1,530,404 | 155,306,576 | 2,034,799 |
| Total liabilities | 193,146,404 | 1,699,087 | 194,845,491 | 4,453,699 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 310,923,949 | 1,395,063 | 312,319,012 | 180,860 |
| Restricted for debt service | 4,325,450 | - | 4,325,450 | - |
| Unrestricted | 49,474,374 | 3,086,599 | 52,560,973 | 4,191,082 |
| Total net position | $ 364,723,773 | $ 4,481,662 | 369,205,435 | $ 4,371,942 |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | 775,376 | |
| Net position of business-type activities | | | $ 369,980,811 | |

**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, 2014

| | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Charges for services | | | | |
| Water sales | $ 21,884,381 | $ - | $ 21,884,381 | $ - |
| Sewer sales | 12,162,581 | - | 12,162,581 | - |
| Other | 443,440 | - | 443,440 | 21,351,731 |
| Recycling and transfer fees | - | 2,027,127 | 2,027,127 | - |
| Insurance recoveries | - | - | - | 160,561 |
| Other operating income | 282,259 | - | 282,259 | 1,017 |
| Total operating revenues | 34,772,661 | 2,027,127 | 36,799,788 | 21,513,309 |
| **OPERATING EXPENSES** | | | | |
| Salaries and benefits | 5,537,030 | 508,294 | 6,045,324 | 1,150,563 |
| Supplies and maintenance | 13,903,570 | 249,185 | 14,152,755 | 236,096 |
| Claims | - | - | - | 18,939,680 |
| Insurance premiums | - | - | - | 1,024,839 |
| General and administrative | - | - | - | 316,691 |
| Depreciation and amortization expense | 10,962,318 | 33,400 | 10,995,718 | 37,533 |
| Water purchases | 3,472,404 | - | 3,472,404 | - |
| Sewer flow costs | 3,939,667 | - | 3,939,667 | - |
| Total operating expenses | 37,814,989 | 790,879 | 38,605,868 | 21,705,402 |
| Operating income (loss) | (3,042,328) | 1,236,248 | (1,806,080) | (192,093) |
| **NONOPERATING REVENUE (EXPENSES)** | | | | |
| Investment earnings | 205,534 | 4,135 | 209,669 | 14,426 |
| Intergovernmental revenue | 31,259 | 123,338 | 154,597 | - |
| Interest expense | (5,448,408) | - | (5,448,408) | - |
| Bond issuance cost | (107,698) | - | (107,698) | - |
| Total nonoperating revenues (expenses) | (5,319,313) | 127,473 | (5,191,840) | 14,426 |
| **INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS** | (8,361,641) | 1,363,721 | (6,997,920) | (177,667) |
| Capital contributions | 29,188,030 | - | 29,188,030 | - |
| Transfers in | 34,949 | - | 34,949 | |
| Transfers out | - | (500,000) | (500,000) | - |
| Total capital contributions and transfers | 29,222,979 | (500,000) | 28,722,979 | - |
| Change in net position | 20,861,338 | 863,721 | 21,725,059 | (177,667) |
| **NET POSITION, beginning of year** | 343,862,435 | 3,617,941 | | 4,549,609 |
| **NET POSITION, end of year** | $ 364,723,773 | $ 4,481,662 | | $ 4,371,942 |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | (12,406) | |
| Change in net position of business-type activities | | | $ 21,712,653 | |

**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, 2014

| | Water & Sewerage Authority | Nonmajor Solid Waste Disposal Facility | Total | Governmental Activities Internal Service Funds |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from customers | $ 44,168,876 | $ 1,976,236 | $ 46,145,112 | $ 21,230,252 |
| Payments to suppliers and service providers | (19,179,195) | (310,875) | (19,490,070) | (18,592,147) |
| Payments to employees | (5,474,982) | (507,465) | (5,982,447) | (1,176,744) |
| Net cash provided by operating activities | 19,514,699 | 1,157,896 | 20,672,595 | 1,461,361 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchased investments | - | - | - | (12,583) |
| Proceeds from sale of investments | 10,010,098 | - | 10,010,098 | - |
| Interest received | 252,058 | 4,135 | 256,193 | 16,949 |
| Net cash provided by investing activities | 10,262,156 | 4,135 | 10,266,291 | 4,366 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Purchases of capital assets | (12,648,669) | (16,688) | (12,665,357) | (60,900) |
| Proceeds from long-term borrowings | 71,054 | - | 71,054 | - |
| Principal payments on notes | (169,049) | - | (169,049) | - |
| Principal payments on bonds | (3,900,000) | - | (3,900,000) | - |
| Interest and fiscal charges paid | (5,582,531) | - | (5,582,531) | - |
| Intergovernmental grants received | - | 123,338 | 123,338 | - |
| Capital contributions received | 13,415,495 | - | 13,415,495 | - |
| Net cash provided (used) by capital and related financing activities | (8,813,700) | 106,650 | (8,707,050) | (60,900) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Transfers in | 34,949 | - | 34,949 | - |
| Transfers out | - | (500,000) | (500,000) | - |
| Net cash provided by (used in) noncapital financing activities | 34,949 | (500,000) | (465,051) | - |
| Net increase in cash and cash equivalents | 20,998,104 | 768,681 | 21,766,785 | 1,404,827 |
| **Cash and cash equivalents:** | | | | |
| Beginning of year | 41,446,766 | 3,548,288 | 44,995,054 | 4,091,254 |
| End of year | $ 62,444,870 | $ 4,316,969 | $ 66,761,839 | $ 5,496,081 |
| **Classified as:** | | | | |
| Cash | $ 58,119,420 | $ 4,316,969 | $ 62,436,389 | $ 5,496,081 |
| Restricted cash | 4,325,450 | - | 4,325,450 | - |
| Total | $ 62,444,870 | $ 4,316,969 | $ 66,761,839 | $ 5,496,081 |
| **Reconciliation of operating income (loss) to net cash provided by operating activities:** | | | | |
| Operating income (loss) | $ (3,042,328) | $ 1,236,248 | $ (1,806,080) | $ (192,093) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 10,962,318 | 33,400 | 10,995,718 | 37,533 |
| (Increase) decrease in accounts and notes receivable | 3,748,295 | (50,891) | 3,697,404 | (137,637) |
| Decrease in inventories | 79,435 | - | 79,435 | 24,377 |
| Increase in prepaid expenses | (84,537) | - | (84,537) | (150,618) |
| Increase in accounts payable | 1,934,507 | 21,507 | 1,956,014 | 106,046 |
| Increase in accrued expenses | 31,983 | - | 31,983 | - |
| Increase in customer deposits payable | 175,058 | - | 175,058 | - |
| Increase in unearned revenue | 5,647,920 | - | 5,647,920 | - |
| Increase (decrease) in compensated absences | 62,048 | 829 | 62,877 | (26,181) |
| Increase in claims payable | - | - | - | 1,799,934 |
| Decrease in landfill postclosure care costs | - | (83,197) | (83,197) | - |
| Net cash provided by operating activities | $ 19,514,699 | $ 1,157,896 | $ 20,672,595 | $ 1,461,361 |
| **NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Capital contributions | $ 15,772,535 | $ - | $ 15,772,535 | $ - |

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

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF FIDUCIARY NET POSITION
## FIDUCIARY FUNDS
## DECEMBER 31, 2014

| ASSETS | Agency Funds | Pension Trust Fund |
|---|---|---|
| Cash and cash equivalents | $ 7,732,486 | $ 533,069 |
| Mutual funds | - | 12,967,367 |
| Taxes receivable | 8,021,355 | - |
| Other receivable | 22,510 | 4 |
| Total assets | 15,776,351 | 13,500,440 |
| **LIABILITIES** | | |
| Due to others | 7,754,996 | - |
| Uncollected taxes | 8,021,355 | - |
| Total liabilities | 15,776,351 | - |
| **NET POSITION** | | |
| Net position restricted for pension benefits | $ - | $ 13,500,440 |

**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, 2014

| | Pension Trust Fund |
|---|---|
| **ADDITIONS** | |
| Employer contributions | $ 1,000,000 |
| Investment income | 1,033,481 |
| Less investment expense | (41,668) |
| Net investment income | 991,813 |
| Total additions | 1,991,813 |
| **DEDUCTIONS** | |
| Benefit payments | 802,177 |
| Total deductions | 802,177 |
| Change in net position | 1,189,636 |
| **NET POSITION RESTRICTED FOR PENSION BENEFITS:** | |
| Beginning of year | 12,310,804 |
| End of year | $ 13,500,440 |

**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 creates a financial burden for the County, as the debt issued by the Authority is secured through intergovernmental rental agreements with the County, and will be repaid with County resources. 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 30$^{th}$ 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 ***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 ***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 ***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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. 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, 2014, the County has reported $699,732 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 $166,865,644 difference are as follows:

| | | |
|---|---|---|
| Bonds payable | $ | (149,805,000) |
| Unamortized premiums | | (2,950,882) |
| Deferred charges on refundings | | 1,635,305 |
| Certificates of participation | | (7,777,000) |
| Capital lease payable | | (156,794) |
| Accrued interest | | (1,656,621) |
| Net OPEB obligation | | (242,890) |
| Compensated absences | | (5,911,762) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ | (166,865,644) |

### 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 $68,472,258 difference are as follows:

| | | |
|---|---|---|
| Capital outlay | $ | 89,788,721 |
| Depreciation expense | | (21,316,463) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ | 68,472,258 |

## 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 $8,985,692 difference are as follows:

| | |
|---|---|
| Disposal of capital assets | $ (6,559,571) |
| Donations of capital assets | 15,545,263 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ 8,985,692 |

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 $24,798,313 difference are as follows:

| | |
|---|---|
| Issuance of debt | $ (29,599,000) |
| Principal reduction | 4,800,687 |
| Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ (24,798,313) |

## 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 $122,509 difference are as follows:

| | | |
|---|---|---|
| Compensated absences | $ | (508,050) |
| Net OPEB obligation | | 444,293 |
| Net pension asset | | 315,773 |
| Amortization | | (102,738) |
| Accrued interest | | (26,769) |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ | 122,509 |

**The remainder of this page is left blank intentionally.**

## 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.

The following functions and General Fund departments had excess of actual expenditures over appropriations in the amount shown for the year ended December 31, 2014.

| | | |
|---|---|---|
| General Fund: | | |
| State court | $ | 9,425 |
| General - public works | | 1,218 |
| Fleet mainenance | | 159 |
| Conservation | | 210 |
| Victims Rights & Assistance | | 26,291 |
| District Attorney Seizure | | 2,854 |
| Hotel / Motel Tax Fund | | 56,854 |
| Debt Service Fund: | | |
| General government | | 9,534 |
| Debt service - interest | | 351,838 |

## NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

### Budgets and Budgetary Accounting (Continued)

The over expenditures were funded by greater than anticipated revenues as well as fund balance.

### Deficit Fund Balance

The County's Grant Fund and the Hotel/Motel Tax Fund ended the year with a deficit fund balance of $2,422,918 and $10,177, respectively. The deficit reported in the Grant Fund at December 31, 2014 is created due to the availability of grant revenues; at December 31, 2014 the fund was reporting $2,886,414 of unavailable receivables. The deficit reported in the Hotel/Motel Tax Fund at December 31, 2014 will be funded through future collections of the tax.

## NOTE 4. DEPOSITS AND INVESTMENTS

**Credit risk.** State statutes authorize the County to invest in U.S. Government obligations; U.S. Government agency obligations; obligations of the State of Georgia; obligations of other counties; municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by the U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds. Investments are stated at fair value, based on quoted market prices.

Operating funds are currently invested in the Georgia Fund 1 Liquidity Pool; U.S. Government agencies; or maintained in demand deposit, savings, and public funds money market accounts with financial institutions.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable 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). The 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, 2014, 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, 2014.

**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, 2014, the County's deposit balances were collateralized as defined by State statutes and GASB.

At December 31, 2014, 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 | $ 541,407 | $ - | $ - | * | $ 541,407 |
| United States Treasuries | 14,128,527 | 36,202,088 | - | AAA | 50,330,615 |
| Georgia Fund 1 | 77,665,987 | - | - | AAAf | 77,665,987 |
| Federal Home Loan Mortgage Corporation | 350,515 | 611,481 | - | AAA | 961,996 |
| Federal Home Loan Bank | 550,809 | - | - | AAA | 550,809 |
| Federal National Mortgage Association | - | 11,810,337 | - | AAA | 11,810,337 |
| Wells Fargo Adv Tr Pl Mm Ins | 95,219 | - | - | * | 95,219 |
| First American Treasury (Money Market) | 3,945,718 | - | - | * | 3,945,718 |
| Guaranteed Investment Contract | - | - | 6,976,369 | (a) | 6,976,369 |
| Morgan Stanley Institutional Liquidity | 16,540,621 | - | - | AAAm | 16,540,621 |
| | $ 113,818,803 | $ 48,623,906 | $ 6,976,369 | | $ 169,419,078 |

* 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.

### Pension Plan

The Plan's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Board of Commissioners by a majority vote of its members. The Plan is authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities, collateralized mortgage obligations, asset and mortgage backed securities, taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, the Plan is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

The Plan investment policy adopts the following asset allocation mix to achieve the lowest level of risk for the Plan: Equity Securities between 55% and 65% at market value, Fixed Income investments between 32% and 42%, and cash equivalents up to 5% of total asset mix.

At December 31, 2014 the Plan had $13,500,436 invested in the following types of investments:

| | Maturity | | |
|---|---|---|---|
| Investment | Less than 1 year | Credit Rating | Fair Value |
| Collective Funds - Pension | $ 11,411,518 | (a) | $ 11,411,518 |
| Mutual Funds - Pension | 2,088,918 | (b) | 2,088,918 |
| | $ 13,500,436 | | $ 13,500,436 |

(a) These are collective funds at a financial institution and are not rated.
(b) The mutual funds are rated 3 - 5 stars by Morningstar

**Credit Risk**. It is the Plan's policy to limit investments to either mutual fund equities or fixed income bonds. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Mutual funds invested in equities are also not classified by credit quality.

**Concentration**. On December 31, 2014, the Plan did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of plan fiduciary net position.

## NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Rate of return**. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.84 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Custodial Credit Risk - Deposits**. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

## NOTE 5. RECEIVABLES

Receivables at December 31, 2014, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

| | General Fund | Fire District Fund | SPLOST Fund | Capital Projects Fund |
|---|---|---|---|---|
| Receivables: | | | | |
| Taxes | $ 1,535,982 | $ 577,728 | $ - | $ - |
| Other governments | 2,905,821 | - | 3,410,778 | - |
| Accounts | 977,151 | 14,116 | - | 5,922 |
| Gross receivables | 5,418,954 | 591,844 | 3,410,778 | 5,922 |
| Less allowance for uncollectibles | - | - | - | - |
| Net receivables | $ 5,418,954 | $ 591,844 | $ 3,410,778 | $ 5,922 |

| | Nonmajor Governmental Funds | Water & Sewerage Authority | Nonmajor Proprietary Fund |
|---|---|---|---|
| Receivables: | | | |
| Taxes | $ 297,736 | $ - | $ - |
| Other governments | 3,175,066 | 235,899 | - |
| Accounts | 559,210 | 9,098,503 | 468,717 |
| Gross receivables | 4,032,012 | 9,334,402 | 468,717 |
| Less allowance for uncollectibles | - | (7,094,595) | - |
| Net receivables | $ 4,032,012 | $ 2,239,807 | $ 468,717 |

## NOTE 5. RECEIVABLES (Continued)

Property taxes for the 2014 fiscal year were levied on August 16, 2013, with property values assessed as of January 1, 2013. Bills are payable on or before November 15, 2013 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 16, 2013. Property taxes levied during 2014 are for fiscal year 2015. Amounts recorded as a receivable and amounts collected as of December 31, 2014 related to these taxes are recorded as deferred inflows of resources - unearned revenue in both the fund and government-wide financial statements.

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## NOTE 6. CAPITAL ASSETS

### A. Primary Government

Capital asset activity for the year ended December 31, 2014 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land and improvements | $ 404,703,695 | $ 8,762,506 | $ - | $ 144,252 | $ 413,610,453 |
| Infrastructure land improvements | 158,149,800 | 3,274,278 | - | 102,718 | 161,526,796 |
| Construction in progress | 40,472,908 | 81,738,934 | (6,559,571) | (20,849,126) | 94,803,145 |
| Total capital assets, not being depreciated | 603,326,403 | 93,775,718 | (6,559,571) | (20,602,156) | 669,940,394 |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 127,529,400 | 94,349 | - | 13,559,052 | 141,182,801 |
| Machinery and equipment | 46,294,792 | 1,177,901 | - | 2,649,896 | 50,122,589 |
| Vehicles | 25,730,629 | 2,248,464 | (453,288) | 1,717,692 | 29,243,497 |
| Infrastructure | 301,210,352 | 8,098,452 | - | 2,675,516 | 311,984,320 |
| Total capital assets, being depreciated | 500,765,173 | 11,619,166 | (453,288) | 20,602,156 | 532,533,207 |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | 27,270,010 | 3,557,109 | - | - | 30,827,119 |
| Machinery and equipment | 30,596,009 | 4,108,552 | - | 240,019 | 34,944,580 |
| Vehicles | 19,528,766 | 1,606,726 | (453,288) | (240,019) | 20,442,185 |
| Infrastructure | 147,719,948 | 12,081,609 | - | - | 159,801,557 |
| Total accumulated depreciation | 225,114,733 | 21,353,996 | (453,288) | - | 246,015,441 |
| Total capital assets, being depreciated, net | 275,650,440 | (9,734,830) | - | 20,602,156 | 286,517,766 |
| Governmental activities capital assets, net | $ 878,976,843 | $ 84,040,888 | $ (6,559,571) | $ - | $ 956,458,160 |

## 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 | 7,624,855 | 4,250 | - | - | 7,629,105 |
| Construction in progress | 10,829,143 | 11,837,259 | (1,000) | (2,113,408) | 20,551,994 |
| Total capital assets, not being depreciated | 47,211,056 | 11,841,509 | (1,000) | (2,113,408) | 56,938,157 |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 365,253 | - | - | - | 365,253 |
| Buildings and improvements | 17,858,372 | - | - | - | 17,858,372 |
| Machinery and equipment | 6,679,314 | 135,231 | - | - | 6,814,545 |
| Vehicles | 2,111,174 | 369,437 | - | - | 2,480,611 |
| Sewer capacity rights | 14,609,550 | - | - | - | 14,609,550 |
| Infrastructure | 459,129,369 | 16,091,715 | - | 2,113,408 | 477,334,492 |
| Total capital assets, being depreciated | 500,753,032 | 16,596,383 | - | 2,113,408 | 519,462,823 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | 150,835 | 13,248 | - | - | 164,083 |
| Buildings and improvements | 2,355,917 | 365,560 | - | - | 2,721,477 |
| Machinery and equipment | 3,270,867 | 227,439 | - | - | 3,498,306 |
| Vehicles | 1,753,099 | 107,317 | - | - | 1,860,416 |
| Sewer capacity rights | 3,317,747 | 1,464,990 | - | - | 4,782,737 |
| Infrastructure | 90,490,268 | 9,270,641 | - | | 99,760,909 |
| Total accumulated depreciation | 101,338,733 | 11,449,195 | - | - | 112,787,928 |
| Total capital assets, being depreciated, net | 399,414,299 | 5,147,188 | - | 2,113,408 | 406,674,895 |
| Business-type activities capital assets, net | $ 446,625,355 | $ 16,988,697 | $ (1,000) | $ - | $ 463,613,052 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

### A. Primary Government (Continued)

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 1,032,356 |
| Judicial | 929,220 |
| Public safety | 4,148,845 |
| Public works | 12,364,391 |
| Health and welfare | 115,367 |
| Culture and recreation | 2,665,968 |
| Housing and development | 97,849 |
| Total depreciation expense - governmental activities | $ 21,353,996 |
| Business-type activities: | |
| Water and Sewerage Authority | $ 11,415,795 |
| Solid Waste Disposal Facility | 33,400 |
| Total depreciation expense - business-type activities | $ 11,449,195 |

### B. Discretely Presented Component Unit – Health Department

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, being depreciated: | | | | |
| Machinery and equipment | $ 62,182 | $ - | $ - | $ 62,182 |
| Total | 62,182 | - | - | 62,182 |
| Less accumulated depreciation for: | | | | |
| Machinery and equipment | (39,891) | (3,424) | - | (43,315) |
| Total | (39,891) | (3,424) | - | (43,315) |
| Total capital assets, being depreciated, net | $ 22,291 | $ (3,424) | $ - | $ 18,867 |

## NOTE 6. CAPITAL ASSETS (CONTINUED)

### C. Discretely Presented Component Unit – Library System

| | Beginning Balance Restated | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | | |
| CIP | $ 5,897,140 | $ 1,582,038 | $ (5,431,762) | $ (2,029,326) | $ 18,090 |
| Total | 5,897,140 | 1,582,038 | (5,431,762) | (2,029,326) | 18,090 |
| Capital assets, being depreciated: | | | | | |
| Machinery and equipment | 2,190,810 | 58,211 | (13,071) | 943,134 | 3,179,084 |
| Books and collections | 4,944,524 | 248,551 | (500,823) | 1,086,192 | 5,778,444 |
| Total | 7,135,334 | 306,762 | (513,894) | 2,029,326 | 8,957,528 |
| Less accumulated depreciation for: | | | | | |
| Machinery and equipment | (1,488,721) | (243,877) | 13,071 | - | (1,719,527) |
| Books and collections | (4,224,396) | (866,767) | 500,823 | - | (4,590,340) |
| Total | (5,713,117) | (1,110,644) | 513,894 | - | (6,309,867) |
| Total capital assets, being depreciated, net | 1,422,217 | (803,882) | - | 2,029,326 | 2,647,661 |
| Total capital assets, net | $ 7,319,357 | $ 778,156 | $ (5,431,762) | $ - | $ 2,665,751 |

## NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2014, is as follows:

Due to/from other funds:

| Receivable fund | Payable fund | Amount |
|---|---|---|
| General Fund | Capital Projects Fund | $ 800,000 |
| General Fund | Nonmajor governmental funds | 2,975,431 |
| | | $ 3,775,431 |

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, 2014 were as follows:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| General Fund | Nonmajor enterprise funds | $ 500,000 |
| General Fund | Nonmajor governmental funds | 300,000 |
| | | $ 800,000 |
| Fire Fund | General Fund | $ 19,645 |
| Capital Projects Fund | General Fund | $ 13,230,247 |
| Water and Sewer Fund | General Fund | $ 34,949 |
| Nonmajor governmental funds | General Fund | $ 1,063,700 |
| Nonmajor governmental funds | Fire Fund | 52,653 |
| Nonmajor governmental funds | SPLOST Fund | 414,044 |
| Nonmajor governmental funds | Nonmajor governmental funds | 17,764 |
| | | $ 1,548,161 |

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, 2014:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Bonds payable | $ 124,971,000 | $ 29,599,000 | $ (4,765,000) | $ 149,805,000 | $ 32,405,000 |
| Plus: Premiums | 3,305,683 | - | (354,801) | 2,950,882 | - |
| Total bonds payable | 128,276,683 | 29,599,000 | (5,119,801) | 152,755,882 | 32,405,000 |
| Capital leases payable | 192,481 | - | (35,687) | 156,794 | 37,039 |
| Certificates of participation | 7,777,000 | - | - | 7,777,000 | - |
| Net OPEB obligation | 687,183 | 273,000 | (717,293) | 242,890 | - |
| Compensated absences | 5,497,998 | 16,566,039 | (16,084,170) | 5,979,867 | 4,838,378 |
| Claims payable | 2,360,000 | 19,757,614 | (17,957,680) | 4,159,934 | 2,138,756 |
| Governmental activities long-term liabilities | $ 144,791,345 | $ 66,195,653 | $ (39,914,631) | $ 171,072,367 | $ 39,419,173 |
| **Business-type Activities:** | | | | | |
| Bonds payable | $ 144,755,000 | $ - | $ (3,900,000) | $ 140,855,000 | $ 4,030,000 |
| Less: Discounts | (17,002) | - | 10,467 | (6,535) | - |
| Plus: Premiums | 11,269,523 | - | (981,008) | 10,288,515 | - |
| Total bonds payable | 156,007,521 | - | (4,870,541) | 151,136,980 | 4,030,000 |
| Note payable | 6,696,877 | 298,326 | (169,049) | 6,826,154 | 257,015 |
| Landfill postclosure costs | 1,717,593 | - | (83,197) | 1,634,396 | 110,594 |
| Compensated absences | 470,399 | 2,183,828 | (2,120,951) | 533,276 | 426,621 |
| Business-type activities long-term liabilities | $ 164,892,390 | $ 2,482,154 | $ (7,243,738) | $ 160,130,806 | $ 4,824,230 |

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 $14,595,000 as of December 31, 2014.

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 |
|---|---|---|---|
| 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 | 7,685,000 | 3,864,789 | 11,549,789 |
| 2020-2024 | 37,695,000 | 14,777,131 | 52,472,131 |
| 2025 - 2028 | 40,850,000 | 4,260,500 | 45,110,500 |
| Total | $ 113,105,000 | $ 40,461,459 | $ 153,566,459 |

## NOTE 8. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Sales Tax Bonds.** On December 21, 2012, the County issued Series 2012 A, B, C, and D sales tax bonds. The bonds were all issued to a local financial institution for a total of $50,000,000 for construction of the new courthouse, jail, and parking deck. The bonds operate as a line of credit. The County will draw funds as needed and pay interest only on the drawn amounts. During the year ended December 31, 2014 the County drew $25,599,000 of funds on Series B and C. The bonds' maturity and outstanding amounts are as follows:

| Series | Maturity | Original Amount | Outstanding at 12/31/14 | Principal Payment |
|---|---|---|---|---|
| 2012 A | June 30, 2015 | $ 8,000,000 | $ 7,100,000 | June 30, 2015 |
| 2012 B | June 30, 2016 | 14,600,000 | 14,600,000 | Monthly starting May 1, 2015 |
| 2012 C | June 30, 2017 | 15,000,000 | 15,000,000 | Monthly starting May 1, 2015 |
| 2012 D | June 30, 2018 | 12,400,000 | - | |
| | | $ 50,000,000 | $ 36,700,000 | |

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, which was 1.485% at December 31, 2014. The rate cannot exceed 8%.

The County's debt service requirements to maturity on the Series 2012 sales tax bonds are as follows:

| Year ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2015 | $ 26,800,000 | $ 347,861 | $ 27,147,861 |
| 2016 | 9,900,000 | 15,593 | 9,915,593 |
| Total | $ 36,700,000 | $ 363,454 | $ 37,063,454 |

**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.

## NOTE 8. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Certificates of Participation (Continued).** 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, 2014, the floating rate being paid by the County is 0.35% and the market value of this agreement is $2,196,128, an increase of $809,331 from the prior year. The market value of the hedge was determined using settlement prices at the end of the day on December 31, 2014 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, | | | |
| 2015 | $ - | $ 369,408 | $ 369,408 |
| 2016 | - | 369,408 | 369,408 |
| 2017 | - | 369,408 | 369,408 |
| 2018 | - | 369,408 | 369,408 |
| 2019 | - | 369,408 | 369,408 |
| 2020-2024 | - | 1,847,040 | 1,847,040 |
| 2025-2028 | 7,777,000 | 1,292,928 | 9,069,928 |
| Total | $ 7,777,000 | $ 4,987,008 | $ 12,764,008 |

**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, 2014, the County had $259,992 of machinery and equipment with accumulated amortization of $155,995 financed with the capital lease. The leased assets' amortization expense is reported with the capital asset depreciation expense.

At December 31, 2014, future lease payments for the capital lease payable are as follows:

| | Governmental Activities |
|---|---|
| Year Ending December 31, | |
| 2015 | $ 42,981 |
| 2016 | 42,982 |
| 2017 | 42,981 |
| 2018 | 42,982 |
| Total minimum lease payments | 171,926 |
| Less amount representing interest | 15,132 |
| Present value of future minimum lease payments | $ 156,794 |

## 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.

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, 2014.

## 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, 2014, $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 |
|---|---|---|---|
| 2015 | $ 4,030,000 | $ 5,098,188 | $ 9,128,188 |
| 2016 | 4,200,000 | 4,941,881 | 9,141,881 |
| 2017 | 4,335,000 | 4,775,350 | 9,110,350 |
| 2018 | 4,520,000 | 4,601,875 | 9,121,875 |
| 2019 | 4,710,000 | 4,426,425 | 9,136,425 |
| 2020-2024 | 26,565,000 | 19,039,272 | 45,604,272 |
| 2025-2029 | 33,030,000 | 12,269,860 | 45,299,860 |
| 2030-2034 | 43,375,000 | 5,027,515 | 48,402,515 |
| 2035-2037 | 16,090,000 | 671,958 | 16,761,958 |
| Total | $ 140,855,000 | $ 60,852,324 | $ 201,707,324 |

## NOTE 8. LONG-TERM DEBT (CONTINUED)

### A. Primary Government (Continued)

**Notes Payable.** In 2011, the County entered into agreements with the Georgia Environmental Finance Authority to finance the construction of various water and sewer projects. The agreements were originally executed for $6,703,496, with interest rates of 3.0%. The agreements are paid each month beginning November 1, 2012 through April 1, 2034. The debt service requirements to maturity are as follows:

| Year ending December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2015 | $ 257,015 | $ 192,320 | $ 449,335 |
| 2016 | 264,832 | 184,503 | 449,335 |
| 2017 | 272,887 | 176,448 | 449,335 |
| 2018 | 281,188 | 168,147 | 449,335 |
| 2019 | 289,740 | 159,595 | 449,335 |
| 2020-2024 | 1,569,538 | 660,818 | 2,230,356 |
| 2025-2029 | 1,799,465 | 409,551 | 2,209,016 |
| 2030-2034 | 1,793,164 | 121,318 | 1,914,482 |
| Total | $ 6,527,829 | $ 2,072,700 | $ 8,600,529 |

In 2014, 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, 2014, the loan has a balance of $298,325 and is still in the draw down phase, therefore a future payment schedule has not been established.

**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, 2014, the County has 16 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,634,396 over the 15-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.

## NOTE 8. LONG-TERM DEBT (CONTINUED)

### B. Discretely Presented Component Unit – Health Department

Debt activity for the year ended June 30, 2014 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 112,752 | $ 71,881 | $ (72,232) | $ 112,401 | $ 72,000 |

### C. Discretely Presented Component Unit – Library System

The Library's long-term debt activity for the year ended June 30, 2014, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within one year |
|---|---|---|---|---|---|
| Capital Leases | $ 1,603 | $ - | $ 1,603 | $ - | $ - |
| Compensated absences | 194,601 | 172,750 | 158,259 | 209,092 | 170,044 |
| Total | $ 196,204 | $ 172,750 | $ 159,862 | $ 209,092 | $ 170,044 |

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.

## 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 which grants the authority to establish and amend the Plan to the Administrative Committee, subject to approval and action by the Board of Commissioners. The Administrative Committee is comprised five (5) members who serve without compensation by the Plan. The members of the Administrative Committee consist of the County's Chief Financial Officer (by position), the Human Resources Director (by position), and three (3) at-large nominations from the Board of Commissioners.

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

**Plan Description (Continued).** The Plan, which is administered by Wells Fargo Institutional Retirement and Trust, covers 82 active or past employees of the County as of January 1, 2015. The County's payroll for employees participating in the Plan as of January 1, 2015, (the most recent actuarial valuation date) was $2,189,987.

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, 2015, the most recent actuarial valuation date, the plan membership included the following categories of participants:

| | |
|---|---|
| Retirees and beneficiaries receiving benefits | 46 |
| Terminated vested participants not yet receiving benefits | 6 |
| Active participants | 30 |
| | 82 |

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's annual contributions to The Plan's trust are based on an actuarially determined amount. 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. For the year ended December 31, 2014 the required contribution was $668,598. The Plan participants are not required to contribute to the plan.

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

**Plan Disclosures.** Effective January 1, 2014, the Plan implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, which significantly changed the disclosures required related to the Plan. The information disclosed below is presented in accordance with this new standard. The Plan does not issue separate financial statements.

**Net Pension Liability of the County.** The components of the net pension liability of the County at December 31, 2014 were as follows:

| | | |
|---|---|---|
| Total pension liability | $ | 17,305,986 |
| Plan fiduciary net position | | (13,500,440) |
| County's net pension liability | $ | 3,805,546 |
| Plan fiduciary net position as a percentage of the total pension liability | | 78% |

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to rollforward to the total pension liability measured as of December 31, 2014. The following actuarial assumptions applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.0% |
| Salary increases, including inflation | 4.0% |
| Investment rate of return | 7.45%, including inflation, net of investment expense |

Mortality rates were based upon the RP-2000 Combined Mortality Table. No mortality improvement is included prior to or following the measurement date.

The Plan's actuaries have not performed an experience study as the plan was closed to new entrants as of January 5, 1991.

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

**Actuarial Assumptions (Continued).** The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are:

| | |
|---|---|
| Large cap value equity | 6.25% per annum |
| Large cap growth equity | 6.25% per annum |
| Large cap core equity | 6.25% per annum |
| Mid cap equity | 7.25% per annum |
| Small cap equity | 8.00% per annum |
| Intermediate bond | 1.25% per annum |
| Cash | 0.50% per annum |
| Total or weighted arithmetic average | 4.45% per annum |

**Discount rate.** The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate.** The following table presents the net pension liability of the County, calculated using the discount rate of 7.45%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate:

| 1% Decrease (6.45%) | Discount Rate (7.45%) | 1% Increase (8.45%) |
|---|---|---|
| $ 5,836,769 | $ 3,805,546 | $ 2,105,774 |

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

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 December 31, 2014 and the current sharing pattern of costs between employer and employee.

**Employer Disclosures.** Until the County implements the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective January 1, 2015, the provisions of GASB Statement No. 27 continue to be followed in the financial statements from the employer perspective. The information disclosed below is presented in accordance with GASB Statement No. 27 and these measures and disclosed amounts differ from those used by the Plan under GASB Statement No. 67 as previously discussed.

The period for amortizing the unfunded actuarial accrued liabilities is 30 years. The method used to amortize the unfunded actuarial accrued liabilities is level dollar. This amortization period is open for this plan year.

**Annual Pension Cost and Net Pension Obligation (NPO)**

| | For The Fiscal Year Ending December 31, 2014 | For The Fiscal Year Ending December 31, 2013 |
|---|---|---|
| Annual required contribution (ARC) | $ 668,598 | $ 709,441 |
| Adjustments to annual required contribution | 214,512 | 221,623 |
| Interest on net pension obligation (asset) | (198,883) | (211,032) |
| Annual pension cost | 684,227 | 720,032 |
| Contributions made | 1,000,000 | 847,220 |
| (Increase) decrease in NPO (asset) | (315,773) | (127,188) |
| NPO (asset) at beginning of year | (2,940,952) | (2,813,764) |
| NPO (asset) at end of year | $ (3,256,725) | $ (2,940,952) |

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

**History of Annual Pension Cost and Net Pension Obligation**

| Fiscal Year Ending | Annual Pension Cost (APC) | Actual County Contribution | Percentage of APC Contributed | Net Pension Obligation (Asset) |
|---|---|---|---|---|
| 12/31/14 | $ 684,227 | $ 1,000,000 | 146.2 % | $ (3,256,725) |
| 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) |

The following is a schedule of funding progress for the Plan:

| 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 |
|---|---|---|---|---|---|---|
| 1/1/2015 | $ 13,500,440 | $ 18,297,604 | $ 4,797,164 | 73.78 % | $ 2,189,987 | 219.05 % |

The previous schedule of funding progress serves as a surrogate for the funded status and the funding progress of the Plan. See required supplementary information for a history of funding progress which presents a multiyear trend about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 plans in effect as of January 1, 2015.

## NOTE 9. DEFINED BENEFIT PLAN (CONTINUED)

The assumptions used in the January 1, 2015 actuarial valuation are as follows:

| **Basis of Valuation** | |
|---|---|
| Current Valuation Date | January 1, 2015 |
| 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 |

## 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 2014, employee contributions were $2,319,996 and County contributions were $5,545,260. 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 employees fully vested | 142 |
| Active employees not vested | 945 |
| | 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, 2014 is as follows:

| **Derivation of Annual OPEB Cost** | | |
|---|---|---|
| Annual Required Contribution | $ | 306,000 |
| Interest on Net OPEB Obligation | | 28,000 |
| Adjustment to the ARC | | (61,000) |
| Annual OPEB Cost | $ | 273,000 |

| **Derivation of Net OPEB Obligation** | | |
|---|---|---|
| Annual OPEB Cost for Current Year | $ | 273,000 |
| Actual Contributions to Plan for Current Year | | 717,293 |
| Increase in Net OPEB Obligation | | (444,293) |
| Net OPEB Obligation as of December 31, 2013 | | 687,183 |
| Net OPEB Obligation as of December 31, 2014 | $ | 242,890 |

| **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 |
|---|---|---|---|---|
| 12/31/14 | $ 273,000 | $ 717,293 | 262.7 % | $ 242,890 |
| 12/31/13 | 282,000 | 325,352 | 115.4 | 687,183 |
| 12/31/12 | 400,000 | 215,601 | 53.9 | 730,535 |

## 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 Employee Health Benefits 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, 2014, 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 |
|---|---|---|---|---|
| 2014 | $ 681,771 | $ 16,246,224 | $ 15,468,061 | $ 1,459,934 |
| 2013 | 825,090 | 11,987,831 | 12,131,150 | 681,771 |

### Workers' Compensation

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

## NOTE 12. RISK MANAGEMENT (CONTINUED)

### Workers' Compensation (Continued)

The County has purchased commercial insurance for claims in excess of coverage provided by the County. During the year ended December 31, 2014, excess coverage was obtained for any individual claims in excess of $325,000. 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 |
|---|---|---|---|---|
| 2014 | $ 1,530,000 | $ 1,703,966 | $ 1,183,966 | $ 2,050,000 |
| 2013 | 1,520,000 | 649,573 | 639,573 | 1,530,000 |

### General Liability

The County participates in the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA), a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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.

## NOTE 12. RISK MANAGEMENT (CONTINUED)

### General Liability (Continued)

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, 2014, an actuary determined that an estimated $650,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2014 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 |
|---|---|---|---|---|
| 2014 | $ 830,000 | $ 1,125,653 | $ 1,305,653 | $ 650,000 |
| 2013 | 710,000 | 599,378 | 479,378 | 830,000 |

## NOTE 13. COMMITMENTS AND CONTINGENCIES

### Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2014, the County has contractual commitments on uncompleted contracts of approximately $44,481,077.

### 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. Management has reviewed the pending litigation cases and has determined the risk of loss from several cases to be reasonably possible. As a result the estimated loss for the pending cases is approximately $1,232,000.

### 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, 2014, the County paid $203,372 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, 2014, the County collected $401,677 in revenues. Of this amount $401,677 or 100%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

## NOTE 16. SUBSEQUENT EVENTS

On April 16, 2015, Forsyth County, Georgia (the County) issued General Obligation Bonds, Series 2015 (the bonds) in the face amount of $144,080,000. The proceeds of the Series 2015A Bonds (face amount of $83,765,000) will be used to finance costs of acquiring, constructing, renovating, and installing various roads, streets, bridges, and sidewalks in the County and the cost of issuing the Bonds. The Series 2015B, (face amount of $60,315,000) are being issued for the purpose of refunding a portion of the County's General Obligation Bonds, Series 2008A. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2015. Principal payments commence in 2016 with final maturity coming in 2035.

## NOTE 16. SUBSEQUENT EVENTS (CONTINUED)

On April 16, 2015, the Forsyth County Water & Sewerage Authority (the Authority), a blended component unit of Forsyth County, Georgia, issued Refunding and Improvement Revenue Bonds, Series 2015 (the bonds) in the face amount of $75,665,000. The proceeds of the Series 2015 Bonds will be used to (i) refund a portion of the Authority's Revenue Bonds, (a) Series 2005A; maturing April 1, 2016, in the amount of $935,000; and (b) Series 2007; maturing on April 1, 2018, 2029, 2032, and 2037, in the aggregate principal amount of $23,735,000; and (ii) finance the costs of making additions, extensions, and improvements to the water and sewer system. The Bonds will be repaid from payments made to the Authority by the County for the lease and operation of the water and sewer system as well as the net revenues of the system. Interest on the Bonds is payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2015. Principal payments commence in 2016 with final maturity coming in 2044.

# Required Supplementary Information

# FORSYTH COUNTY, GEORGIA

## GENERAL FUND
## BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

## FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budgeted Amounts | | | Variance with Final |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **Revenues:** | | | | |
| Taxes | $ 72,331,600 | $ 72,331,600 | $ 82,425,507 | $ 10,093,907 |
| Licenses and permits | 5,431,300 | 5,496,762 | 6,240,234 | 743,472 |
| Intergovernmental | 399,000 | 399,000 | 609,589 | 210,589 |
| Fines and forfeitures | 2,272,600 | 2,272,600 | 2,245,338 | (27,262) |
| Charges for services | 9,986,400 | 9,986,400 | 9,599,624 | (386,776) |
| Interest income | 100,000 | 100,000 | 171,515 | 71,515 |
| Contributions | 27,000 | 27,000 | 31,958 | 4,958 |
| Miscellaneous | 3,373,300 | 3,373,300 | 498,822 | (2,874,478) |
| Total revenues | 93,921,200 | 93,986,662 | 101,822,587 | 7,835,925 |
| **Expenditures:** | | | | |
| **Current:** | | | | |
| General government: | | | | |
| Board of commissioners | 863,200 | 863,200 | 739,211 | 123,989 |
| Administration | 1,034,600 | 1,134,600 | 33,536 | 1,101,064 |
| Voter registration | 1,084,300 | 1,084,300 | 772,451 | 311,849 |
| Finance | 1,134,000 | 1,669,986 | 1,272,489 | 397,497 |
| Payroll | 257,300 | 257,346 | 251,522 | 5,824 |
| Procurement | 472,500 | 476,575 | 475,850 | 725 |
| Information System and Technology | 3,232,000 | 3,192,029 | 1,953,393 | 1,238,636 |
| Telecommunications | 811,400 | 819,200 | 702,979 | 116,221 |
| GIS | 1,333,700 | 1,340,910 | 964,495 | 376,415 |
| Personnel Services | 822,200 | 822,200 | 746,214 | 75,986 |
| Tax commissioner | 3,128,500 | 3,128,500 | 2,907,501 | 220,999 |
| Tax assessor | 2,141,800 | 2,141,800 | 2,131,020 | 10,780 |
| Records Management | 457,400 | 475,274 | 324,701 | 150,573 |
| Public Facilities | 4,324,300 | 4,348,783 | 2,962,436 | 1,386,347 |
| Other | 1,817,200 | 1,437,917 | 1,348,167 | 89,750 |
| Total general government | 22,914,400 | 23,192,620 | 17,585,965 | 5,606,655 |
| Judicial: | | | | |
| Judicial administration | 1,078,200 | 1,079,188 | 915,053 | 164,135 |
| Superior court | 544,600 | 544,600 | 497,557 | 47,043 |
| Clerk superior court | 2,425,500 | 2,426,649 | 2,388,161 | 38,488 |
| District attorney | 811,900 | 812,131 | 784,575 | 27,556 |
| State court | 771,100 | 771,100 | 780,525 | (9,425) |
| Magistrate court | 879,900 | 879,900 | 810,577 | 69,323 |
| Probate court | 832,800 | 832,800 | 815,349 | 17,451 |
| Juvenile court | 1,259,900 | 1,510,466 | 1,395,185 | 115,281 |
| Solicitor-state court | 1,572,500 | 1,573,132 | 1,519,378 | 53,754 |
| Indigent defense | 1,202,700 | 1,202,700 | 1,178,168 | 24,532 |
| Pretrial services | 222,000 | 222,000 | 214,263 | 7,737 |
| Total judicial | 11,601,100 | 11,854,666 | 11,298,791 | 555,875 |
| Public safety: | | | | |
| Sheriff's office | 34,339,600 | 36,551,978 | 35,094,077 | 1,457,901 |
| Ambulance services | 1,195,000 | 1,195,000 | 1,194,943 | 57 |
| Dispatchers | 27,000 | 27,000 | 25,757 | 1,243 |
| Coroner and medical examiner | 153,400 | 153,400 | 148,902 | 4,498 |
| Animal shelter | 686,700 | 686,700 | 670,866 | 15,834 |
| Total public safety | 36,401,700 | 38,614,078 | 37,134,545 | 1,479,533 |
| Public works: | | | | |
| General-public works | - | - | 1,218 | (1,218) |
| Fleet maintenance | - | 5,500 | 5,659 | (159) |
| Total public works | - | 5,500 | 6,877 | (1,377) |

**(Continued)**

# FORSYTH COUNTY, GEORGIA

## GENERAL FUND
## BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

## FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budgeted Amounts | | | Variance with Final |
|---|---|---|---|---|
| | Original | Final | Actual | Budget |
| **Expenditures: (Continued)** | | | | |
| Health and welfare: | | | | |
| Health department | $ 217,200 | $ 183,200 | $ 177,679 | $ 5,521 |
| Senior citizens center | 1,044,700 | 1,277,500 | 1,271,971 | 5,529 |
| Community service | 15,900 | 15,900 | 12,611 | 3,289 |
| Total health and welfare | 1,277,800 | 1,476,600 | 1,462,261 | 14,339 |
| Culture and recreation: | | | | |
| Parks and recreation | 7,949,600 | 7,964,165 | 7,399,647 | 564,518 |
| Library | 5,056,400 | 5,056,400 | 5,044,304 | 12,096 |
| Total culture and recreation | 13,006,000 | 13,020,565 | 12,443,951 | 576,614 |
| Housing and development: | | | | |
| Conservation | 94,600 | 94,600 | 94,810 | (210) |
| Planning and community development | 3,609,800 | 3,675,262 | 3,340,323 | 334,939 |
| Code enforcement | 770,100 | 770,100 | 727,852 | 42,248 |
| Economic development | 115,000 | 115,000 | 88,547 | 26,453 |
| Total housing and development | 4,589,500 | 4,654,962 | 4,251,532 | 403,430 |
| Debt service: | | | | |
| Principal | - | 35,687 | 35,687 | - |
| Interest | - | 7,295 | 7,295 | - |
| Total debt service | - | 42,982 | 42,982 | - |
| Total expenditures | 89,790,500 | 92,861,973 | 84,226,904 | 8,635,069 |
| Excess of revenues over expenditures | 4,130,700 | 1,124,689 | 17,595,683 | 16,470,994 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of capital assets | 5,000 | 5,000 | - | (5,000) |
| Transfers in | 800,000 | 800,000 | 800,000 | - |
| Transfers out | (3,080,500) | (11,634,090) | (14,348,541) | (2,714,451) |
| Total other financing sources (uses) | (2,275,500) | (10,829,090) | (13,548,541) | (2,719,451) |
| Net change in fund balances | 1,855,200 | (9,704,401) | 4,047,142 | 13,751,543 |
| **Fund balances, beginning of year** | 47,404,052 | 47,404,052 | 47,404,052 | - |
| **Fund balances, end of year** | $ 49,259,252 | $ 37,699,651 | $ 51,451,194 | $ 13,751,543 |

# FORSYTH COUNTY, GEORGIA

## FIRE DISTRICT FUND
## BUDGETARY COMPARISON SCHEDULE - GAAP BASIS

## FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 16,326,979 | $ 16,326,979 | $ 16,875,122 | $ 548,143 |
| Intergovernmental | - | - | 2,400 | 2,400 |
| Interest income | 26,000 | 26,000 | 20,005 | (5,995) |
| Contributions | 3,000 | 3,000 | 7,534 | 4,534 |
| Miscellaneous | 24,100 | 24,100 | 44,732 | 20,632 |
| Total revenues | 16,380,079 | 16,380,079 | 16,949,793 | 569,714 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public safety | 17,325,850 | 18,256,214 | 17,274,479 | 981,735 |
| Total expenditures | 17,325,850 | 18,256,214 | 17,274,479 | 981,735 |
| Deficiency of revenues over expenditures | (945,771) | (1,876,135) | (324,686) | 1,551,449 |
| **Other financing sources (uses):** | | | | |
| Proceeds from sale of capital assets | - | - | 6,000 | 6,000 |
| Transfers in | - | - | 19,645 | 19,645 |
| Transfers out | (52,650) | (53,150) | (52,653) | 497 |
| Total other financing sources (uses) | (52,650) | (53,150) | (27,008) | 26,142 |
| Net changes in fund balances | (998,421) | (1,929,285) | (351,694) | 1,577,591 |
| **Fund balances, beginning of year** | 6,567,290 | 6,567,290 | 6,567,290 | - |
| **Fund balances, end of year** | $ 5,568,869 | $ 4,638,005 | $ 6,215,596 | $ 1,577,591 |

## 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, 2015 | $ 13,500,440 | $ 18,297,604 | $ 4,797,165 | 73.8% | $ 2,189,987 | 219.0% |
| 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% |

NOTE: See assumptions used for this schedule in the notes to the financial statements. This schedule was prepared in accordance with GASB Statement No. 27.

**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
## RETIREMENT PLAN
## SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

| | | 2014 |
|---|---|---|
| **Total pension liability** | | |
| Service cost | $ | 195,813 |
| Interest on total pension liability | | 1,228,732 |
| Differences between expected and actual experience | | - |
| Benefit payments, including refunds of employee contributions | | (802,177) |
| **Net change in total pension liability** | | 622,368 |
| **Total pension liability - beginning** | | 16,683,618 |
| **Total pension liability - ending (a)** | $ | 17,305,986 |
| **Plan fiduciary net position** | | |
| Contributions - employer | $ | 1,000,000 |
| Net investment income | | 991,813 |
| Benefit payments, including refunds of member contributions | | (802,177) |
| **Net change in plan fiduciary net position** | | 1,189,636 |
| **Plan fiduciary net position - beginning** | | 12,310,804 |
| **Plan fiduciary net position - ending (b)** | $ | 13,500,440 |
| **County's net pension liability - ending (a) - (b)** | $ | 3,805,546 |
| **Plan fiduciary net position as a percentage of the total pension liability** | | 78.0% |
| **Covered-employee payroll** | $ | 2,189,987 |
| **Net pension liability as a percentage of covered-employee payroll** | | 173.8% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

## FORSYTH COUNTY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN
## SCHEDULE OF COUNTY CONTRIBUTIONS

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ 668,598 | $ 709,441 | $ 771,941 | $ 752,501 | $ 907,259 |
| Contributions in relation to the actuarially determined contribution | 1,000,000 | 847,220 | 1,000,000 | 911,750 | 1,288,250 |
| Contribution excess | $ 331,402 | $ 137,779 | $ 228,059 | $ 159,249 | $ 380,991 |
| Covered employee payroll | $ 2,189,987 | $ 2,462,389 | $ 2,924,601 | $ 2,877,352 | $ 2,775,052 |
| Contributions as a percentage of covered-employee payroll | 45.7% | 34.4% | 34.2% | 31.7% | 46.4% |

| | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|
| Actuarially determined contribution | $ 813,486 | $ 626,061 | $ 425,425 | $ 593,713 | $ 556,427 |
| Contributions in relation to the actuarially determined contribution | 796,399 | 626,061 | 467,737 | 593,713 | 1,108,862 |
| Contribution excess | $ (17,087) | $ - | $ 42,312 | $ - | $ 552,435 |
| Covered employee payroll | $ 3,087,294 | $ 3,398,361 | $ 3,358,182 | $ 3,149,065 | $ 3,158,207 |
| Contributions as a percentage of covered-employee payroll | 25.8% | 18.4% | 13.9% | 18.9% | 35.1% |

**Notes to the Schedule:**

(1) Actuarial Assumptions

| | |
|---|---|
| Valuation Date | January 1, 2014 |
| Cost Method | Entry Age Normal |
| Actuarial Asset Valuation Method | Market value |
| Assumed Rate of Return on Investments | 7.00% |
| Projected Salary Increases | 4.0%, which includes 1.0% due to merit and 3.0% for inflation |
| Cost-of-living Adjustment | None |
| Amortization Method | Level dollar for unfunded liability |
| Remaining Amortization Period | 30 years (open) |

# FORSYTH COUNTY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN
## SCHEDULE OF PENSION INVESTMENT RETURNS

| | 2014 |
|---|---|
| Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan | 3.84% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# Supplemental Information

2014 Comprehensive Annual Financial Report

**FORSYTH** COUNTY

# 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.

**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 Funds

**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.

## Debt Service Fund

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

# FORSYTH COUNTY, GEORGIA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS
## DECEMBER 31, 2014

| | 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 | $ 14,021 | $ 575,315 | $ 962,454 | $ 724,673 | $ 80,474 | $ 84,364 |
| Receivables, net of allowance for uncollectibles | - | - | 553,377 | - | - | - |
| Taxes receivable | - | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | - | - | - |
| Total assets | $ 14,021 | $ 575,315 | $ 1,515,831 | $ 724,673 | $ 80,474 | $ 84,364 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES** | | | | | | |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ 126 | $ 25,481 | $ 77,638 | $ - | $ - | $ - |
| Due to other funds | - | - | - | - | - | 14,781 |
| Total liabilities | 126 | 25,481 | 77,638 | - | - | 14,781 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue - property taxes | - | - | - | - | - | - |
| Unavailable revenue - grants | - | - | - | - | - | - |
| Unearned revenue - property taxes | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - | - |
| **FUND BALANCES** | | | | | | |
| Restricted: | | | | | | |
| Judicial services | 13,895 | - | - | - | - | 69,583 |
| Public safety services | - | 549,834 | 1,438,193 | 724,673 | 80,474 | - |
| Public works | - | - | - | - | - | - |
| Capital projects | - | - | - | - | - | - |
| Jail construction and equiping | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | 13,895 | 549,834 | 1,438,193 | 724,673 | 80,474 | 69,583 |
| Total liabilities, deferred inflows of resources and fund balances | $ 14,021 | $ 575,315 | $ 1,515,831 | $ 724,673 | $ 80,474 | $ 84,364 |

| Special Revenue Funds | | | | Capital Projects Fund | | | |
|---|---|---|---|---|---|---|---|
| Juvenile Court Fund | Grant Fund | Insurance Premium Tax Fund | Hotel/Motel Tax Fund | County Jail Construction Fund | Impact Fees Fund | Debt Service Fund | Total Nonmajor Governmental Funds |
| $ 35,128 | $ 260,643 | $ 4,063,083 | $ 48,204 | $ 104,408 | $ 13,141,042 | $ 25,763,659 | $ 45,857,468 |
| - | 5,833 | - | - | - | - | - | 559,210 |
| - | - | - | 33,449 | - | - | 264,287 | 297,736 |
| - | 3,175,066 | - | - | - | - | - | 3,175,066 |
| $ 35,128 | $ 3,441,542 | $ 4,063,083 | $ 81,653 | $ 104,408 | $ 13,141,042 | $ 26,027,946 | $ 49,889,480 |
| $ - | $ 163,449 | $ 1,041,652 | $ 91,830 | $ - | $ 16,861 | $ - | $ 1,417,037 |
| - | 2,814,597 | - | - | - | 146,053 | - | 2,975,431 |
| - | 2,978,046 | 1,041,652 | 91,830 | - | 162,914 | - | 4,392,468 |
| - | - | - | - | - | - | 58,918 | 58,918 |
| - | 2,886,414 | - | - | - | - | - | 2,886,414 |
| - | - | - | - | - | - | 7,566,083 | 7,566,083 |
| - | 2,886,414 | - | - | - | - | 7,625,001 | 10,511,415 |
| 35,128 | - | - | - | - | - | - | 118,606 |
| - | - | - | - | - | - | - | 2,793,174 |
| - | - | 3,021,431 | - | - | - | - | 3,021,431 |
| - | - | - | - | - | 12,978,128 | - | 12,978,128 |
| - | - | - | - | 104,408 | - | - | 104,408 |
| - | - | - | - | - | - | 18,402,945 | 18,402,945 |
| - | (2,422,918) | - | (10,177) | - | - | - | (2,433,095) |
| 35,128 | (2,422,918) | 3,021,431 | (10,177) | 104,408 | 12,978,128 | 18,402,945 | 34,985,597 |
| $ 35,128 | $ 3,441,542 | $ 4,063,083 | $ 81,653 | $ 104,408 | $ 13,141,042 | $ 26,027,946 | $ 49,889,480 |

# FORSYTH COUNTY, GEORGIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2014

| | 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 | - | 16,227 | - | - | - | - |
| Fines and forfeitures | 110,496 | 416,302 | - | 887,917 | 11,658 | 97,133 |
| Licenses and permits | - | - | - | - | - | - |
| Charges for services | - | - | 3,992,163 | - | - | - |
| Interest income | - | 595 | 916 | 444 | - | - |
| Contributions and donations | - | - | - | 10,669 | - | - |
| Miscellaneous | - | 8,203 | - | 37,655 | - | - |
| Total revenues | 110,496 | 441,327 | 3,993,079 | 936,685 | 11,658 | 97,133 |
| **Expenditures:** | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Judicial | 375,991 | - | - | - | - | 112,053 |
| Public safety | - | 566,004 | 3,748,804 | 458,925 | 5,854 | - |
| Public works | - | - | - | - | - | - |
| Housing and development | - | - | - | - | - | - |
| Culture and recreations | - | - | - | - | - | - |
| Health and welfare | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Total expenditures | 375,991 | 566,004 | 3,748,804 | 458,925 | 5,854 | 112,053 |
| Excess (deficiency) of revenues over expenditures | (265,495) | (124,677) | 244,275 | 477,760 | 5,804 | (14,920) |
| **Other financing sources (uses):** | | | | | | |
| Transfers in | 289,138 | - | - | - | - | - |
| Transfers out | (17,764) | - | - | - | - | - |
| Total other financing sources (uses) | 271,374 | - | - | - | - | - |
| Net change in fund balances | 5,879 | (124,677) | 244,275 | 477,760 | 5,804 | (14,920) |
| **Fund balances (deficit), beginning of year** | 8,016 | 674,511 | 1,193,918 | 246,913 | 74,670 | 84,503 |
| **Fund balances (deficit), end of year** | $ 13,895 | $ 549,834 | $ 1,438,193 | $ 724,673 | $ 80,474 | $ 69,583 |

| Special Revenue Funds | | | | Capital Projects Fund | | | |
|---|---|---|---|---|---|---|---|
| Juvenile Court Fund | Grant Fund | Insurance Premium Tax Fund | Hotel/Motel Tax Fund | County Jail Construction Fund | Impact Fees Fund | Debt Service Fund | Total Nonmajor Governmental Funds |
| $ - | $ - | $ 8,335,531 | $ 401,677 | $ - | $ - | $ 7,919,181 | $ 16,656,389 |
| - | 2,994,356 | 49,034 | - | - | - | - | 3,059,617 |
| 13,008 | - | - | - | 230,398 | - | - | 1,766,912 |
| - | - | 46,040 | - | - | - | - | 46,040 |
| - | 32,144 | 323,053 | - | - | 4,339,509 | - | 8,686,869 |
| 36 | - | - | - | 248 | 10,914 | 21,586 | 34,739 |
| - | 15,272 | - | - | - | - | - | 25,941 |
| - | - | 2,776 | - | - | - | - | 48,634 |
| 13,044 | 3,041,772 | 8,756,434 | 401,677 | 230,646 | 4,350,423 | 7,940,767 | 30,325,141 |
| - | 2,568,520 | - | - | - | - | 227,634 | 2,796,154 |
| 19,800 | 609,800 | - | - | - | - | - | 1,117,644 |
| - | 348,034 | - | - | - | - | - | 5,127,621 |
| - | 1,132,950 | 7,803,257 | - | - | - | - | 8,936,207 |
| - | - | - | 411,854 | - | 53,349 | - | 465,203 |
| - | 52,700 | - | - | - | - | - | 52,700 |
| - | 1,190,390 | - | - | - | - | - | 1,190,390 |
| - | - | - | - | 59,598 | 180,166 | - | 239,764 |
| - | - | - | - | - | - | 4,765,000 | 4,765,000 |
| - | - | - | - | - | - | 5,190,954 | 5,190,954 |
| 19,800 | 5,902,394 | 7,803,257 | 411,854 | 59,598 | 233,515 | 10,183,588 | 29,881,637 |
| (6,756) | (2,860,622) | 953,177 | (10,177) | 171,048 | 4,116,908 | (2,242,821) | 443,504 |
| - | 713,979 | 131,000 | - | - | - | 414,044 | 1,548,161 |
| - | - | - | - | (300,000) | - | - | (317,764) |
| - | 713,979 | 131,000 | - | (300,000) | - | 414,044 | 1,230,397 |
| (6,756) | (2,146,643) | 1,084,177 | (10,177) | (128,952) | 4,116,908 | (1,828,777) | 1,673,901 |
| 41,884 | (276,275) | 1,937,254 | - | 233,360 | 8,861,220 | 20,231,722 | 33,311,696 |
| $ 35,128 | $ (2,422,918) | $ 3,021,431 | $ (10,177) | $ 104,408 | $ 12,978,128 | $ 18,402,945 | $ 34,985,597 |

# FORSYTH COUNTY, GEORGIA
## VICTIMS RIGHTS & ASSISTANCE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 122,000 | $ 122,000 | $ 110,496 | $ (11,504) |
| Total revenues | 122,000 | 122,000 | 110,496 | (11,504) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Judicial | 349,700 | 349,700 | 375,991 | (26,291) |
| Total expenditures | 349,700 | 349,700 | 375,991 | (26,291) |
| Deficiency of revenues over expenditures | (227,700) | (227,700) | (265,495) | (37,795) |
| **Other financing sources (uses):** | | | | |
| Transfers in | 245,500 | 245,500 | 289,138 | 43,638 |
| Transfers out | (17,800) | (17,800) | (17,764) | 36 |
| Total other financing sources (uses) | 227,700 | 227,700 | 271,374 | 43,674 |
| Net changes in fund balances | - | - | 5,879 | 5,879 |
| **Fund balances, beginning of year** | 8,016 | 8,016 | 8,016 | - |
| **Fund balances, end of year** | $ 8,016 | $ 8,016 | $ 13,895 | $ 5,879 |

# 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, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Intergovernmental | $ - | $ - | $ 16,227 | $ 16,227 |
| Fines and forfeitures | 125,000 | 331,000 | 416,302 | 85,302 |
| Interest income | - | - | 595 | 595 |
| Miscellaneous | 54,000 | 6,000 | 8,203 | 2,203 |
| Total revenues | 179,000 | 337,000 | 441,327 | 104,327 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public safety | 179,000 | 716,817 | 566,004 | 150,813 |
| Total expenditures | 179,000 | 716,817 | 566,004 | 150,813 |
| Net changes in fund balances | - | (379,817) | (124,677) | 255,140 |
| **Fund balances, beginning of year** | 674,511 | 674,511 | 674,511 | - |
| **Fund balances, end of year** | $ 674,511 | $ 294,694 | $ 549,834 | $ 255,140 |

# 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, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Charges for services | $ 3,688,100 | $ 3,688,100 | $ 3,992,163 | $ 304,063 |
| Interest income | - | - | 916 | 916 |
| Total revenues | 3,688,100 | 3,688,100 | 3,993,079 | 304,979 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public safety | 4,133,400 | 4,531,063 | 3,748,804 | 782,259 |
| Total expenditures | 4,133,400 | 4,531,063 | 3,748,804 | 782,259 |
| Net changes in fund balances | (445,300) | (842,963) | 244,275 | 1,087,238 |
| **Fund balances, beginning of year** | 1,193,918 | 1,193,918 | 1,193,918 | - |
| **Fund balances, end of year** | $ 748,618 | $ 350,955 | $ 1,438,193 | $ 1,087,238 |

# 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, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 292,100 | $ 859,066 | $ 887,917 | $ 28,851 |
| Interest income | - | - | 444 | 444 |
| Contributions | - | - | 10,669 | 10,669 |
| Miscellaneous | - | - | 37,655 | 37,655 |
| Total revenues | 292,100 | 859,066 | 936,685 | 77,619 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public safety | 292,100 | 859,066 | 458,925 | 400,141 |
| Total expenditures | 292,100 | 859,066 | 458,925 | 400,141 |
| Net changes in fund balances | - | - | 477,760 | 477,760 |
| **Fund balances, beginning of year** | 246,913 | 246,913 | 246,913 | - |
| **Fund balances, end of year** | $ 246,913 | $ 246,913 | $ 724,673 | $ 477,760 |

# FORSYTH COUNTY, GEORGIA
## DISTRICT ATTORNEY SEIZURE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 3,000 | $ 3,000 | $ 11,658 | $ 8,658 |
| Total revenues | 3,000 | 3,000 | 11,658 | 8,658 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public safety | 3,000 | 3,000 | 5,854 | (2,854) |
| Total expenditures | 3,000 | 3,000 | 5,854 | (2,854) |
| Net changes in fund balances | - | - | 5,804 | 5,804 |
| **Fund balances, beginning of year** | 74,670 | 74,670 | 74,670 | - |
| **Fund balances, end of year** | $ 74,670 | $ 74,670 | $ 80,474 | $ 5,804 |

# FORSYTH COUNTY, GEORGIA
## LAW LIBRARY

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 43,000 | $ 43,000 | $ 97,133 | $ 54,133 |
| Miscellaneous | 34,000 | 34,000 | - | (34,000) |
| Total revenues | 77,000 | 77,000 | 97,133 | 20,133 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Judicial | 188,100 | 161,100 | 112,053 | 49,047 |
| Total expenditures | 188,100 | 161,100 | 112,053 | 49,047 |
| Net changes in fund balances | (111,100) | (84,100) | (14,920) | 69,180 |
| **Fund balances, beginning of year** | 84,503 | 84,503 | 84,503 | - |
| **Fund balances (deficit), end of year** | $ (26,597) | $ 403 | $ 69,583 | $ 69,180 |

# FORSYTH COUNTY, GEORGIA
## JUVENILE COURT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Fines and forfeitures | $ 31,000 | $ 31,000 | $ 13,008 | $ (17,992) |
| Interest income | - | - | 36 | 36 |
| Total revenues | 31,000 | 31,000 | 13,044 | (17,956) |
| **Expenditures:** | | | | |
| Current: | | | | |
| Judicial | 78,000 | 72,000 | 19,800 | 52,200 |
| Total expenditures | 78,000 | 72,000 | 19,800 | 52,200 |
| Net changes in fund balances | (47,000) | (41,000) | (6,756) | 34,244 |
| **Fund balances, beginning of year** | 41,884 | 41,884 | 41,884 | - |
| **Fund balances, end of year** | $ (5,116) | $ 884 | $ 35,128 | $ 34,244 |

# FORSYTH COUNTY, GEORGIA
## GRANT FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Intergovernmental | $ 2,772,250 | $ 10,012,560 | $ 2,994,356 | $ (7,018,204) |
| Charges for services | 39,600 | 39,600 | 32,144 | (7,456) |
| Contributions and donations | 25,000 | 25,000 | 15,272 | (9,728) |
| Total revenues | 2,836,850 | 10,077,160 | 3,041,772 | (7,035,388) |
| **Expenditures:** | | | | |
| Current: | | | | |
| General government | - | 6,827,436 | 2,568,520 | 4,258,916 |
| Judicial | 506,700 | 828,908 | 609,800 | 219,108 |
| Public safety | 324,600 | 363,648 | 348,034 | 15,614 |
| Public works | 1,561,600 | 1,579,103 | 1,132,950 | 446,153 |
| Health and welfare | 1,521,700 | 1,299,400 | 1,190,390 | 109,010 |
| Culture and recreation | - | 52,700 | 52,700 | - |
| Total expenditures | 3,914,600 | 10,951,195 | 5,902,394 | 5,048,801 |
| Deficiency of revenues over expenditures | (1,077,750) | (874,035) | (2,860,622) | (1,986,587) |
| **Other financing sources:** | | | | |
| Transfers in | 1,077,750 | 874,035 | 713,979 | (160,056) |
| Total other financing sources | 1,077,750 | 874,035 | 713,979 | (160,056) |
| Net changes in fund balances | - | - | (2,146,643) | (2,146,643) |
| **Fund balances (deficit), beginning of year** | (276,275) | (276,275) | (276,275) | - |
| **Fund balances (deficit), end of year** | $ (276,275) | $ (276,275) | $ (2,422,918) | $ (2,146,643) |

# FORSYTH COUNTY, GEORGIA
## INSURANCE PREMIUM TAX

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 7,500,000 | $ 7,500,000 | $ 8,335,531 | $ 835,531 |
| Intergovernmental | - | - | 49,034 | 49,034 |
| Licenses and permits | 8,800 | 8,800 | 46,040 | 37,240 |
| Charges for services | - | - | 323,053 | 323,053 |
| Miscellaneous | - | - | 2,776 | 2,776 |
| Total revenues | 7,508,800 | 7,508,800 | 8,756,434 | 1,247,634 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Public works | 8,639,800 | 8,914,096 | 7,803,257 | 1,110,839 |
| Total expenditures | 8,639,800 | 8,914,096 | 7,803,257 | 1,110,839 |
| Excess (deficiency) of revenues over expenditures | (1,131,000) | (1,405,296) | 953,177 | 2,358,473 |
| **Other financing sources:** | | | | |
| Transfers in | 1,131,000 | 1,131,000 | 131,000 | (1,000,000) |
| Total other financing sources | 1,131,000 | 1,131,000 | 131,000 | (1,000,000) |
| Net changes in fund balances | - | (274,296) | 1,084,177 | 809,881 |
| **Fund balances, beginning of year** | 1,937,254 | 1,937,254 | 1,937,254 | - |
| **Fund balances, end of year** | $ 1,937,254 | $ 1,662,958 | $ 3,021,431 | $ 809,881 |

# FORSYTH COUNTY, GEORGIA
## HOTEL/MOTEL TAX

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 265,000 | $ 355,000 | $ 401,677 | $ 46,677 |
| Total revenues | 265,000 | 355,000 | 401,677 | 46,677 |
| **Expenditures:** | | | | |
| Current: | | | | |
| Housing and development | 265,000 | 355,000 | 411,854 | (56,854) |
| Total expenditures | 265,000 | 355,000 | 411,854 | (56,854) |
| Net changes in fund balances | - | - | (10,177) | (10,177) |
| **Fund balances, beginning of year** | - | - | - | - |
| **Fund balances, end of year** | $ - | $ - | $ (10,177) | $ (10,177) |

# FORSYTH COUNTY, GEORGIA
## DEBT SERVICE FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2014

| | Budget | | | Variance With |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **Revenues:** | | | | |
| Taxes | $ 7,809,741 | $ 7,809,741 | $ 7,919,181 | $ 109,440 |
| Investment income | 50,000 | 50,000 | 21,586 | (28,414) |
| Total revenues | 7,859,741 | 7,859,741 | 7,940,767 | 81,026 |
| **Expenditures:** | | | | |
| Current: | | | | |
| General government | 216,100 | 218,100 | 227,634 | (9,534) |
| Debt service: | | | | |
| Principal | 4,765,000 | 4,765,000 | 4,765,000 | - |
| Interest | 4,839,116 | 4,839,116 | 5,190,954 | (351,838) |
| Total expenditures | 9,820,216 | 9,822,216 | 10,183,588 | (361,372) |
| Deficiency of revenues over expenditures | (1,960,475) | (1,962,475) | (2,242,821) | (280,346) |
| **Other financing sources:** | | | | |
| Transfers in | - | - | 414,044 | 414,044 |
| Total other financing sources | - | - | 414,044 | 414,044 |
| Net changes in fund balances | (1,960,475) | (1,962,475) | (1,828,777) | 133,698 |
| **Fund balances, beginning of year** | 20,231,722 | 20,231,722 | 20,231,722 | - |
| **Fund balances, end of year** | $ 18,271,247 | $ 18,269,247 | $ 18,402,945 | $ 133,698 |

# FORSYTH COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
## FOR THE YEAR ENDED DECEMBER 31, 2014

| Project | Estimated Cost | | Expenditures | | |
|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | Total |
| **SPLOST V - 2003 SPLOST** | | | | | |
| Roads, streets and bridges | $ 99,100,000 | $ 96,831,413 | $ 96,814,774 | $ 16,639 | $ 96,831,413 |
| 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 | $ 151,600,982 | $ 151,584,343 | $ 16,639 | $ 151,600,982 |
| **SPLOST VI - 2008 SPLOST** | | | | | |
| Road, street, bridges and sidewalks | $ 108,600,000 | $ 89,595,000 | $ 81,665,168 | $ 6,108,333 | $ 87,773,501 |
| Public safety facilities | 17,800,000 | 14,685,000 | 3,182,729 | 5,144 | 3,187,873 |
| Park and recreation facilities | 13,500,000 | 11,137,500 | 5,653,694 | 1,507,092 | 7,160,786 |
| Library facilities | 7,200,000 | 5,940,000 | 5,371,239 | 277,804 | 5,649,043 |
| Cultural facilities | 6,000,000 | 4,950,000 | 4,822,811 | 17,400 | 4,840,211 |
| Payments to the City of Cumming | 6,900,000 | 6,075,666 | 6,075,666 | - | 6,075,666 |
| Total 2008 SPLOST | $ 160,000,000 | $ 132,383,166 | $ 106,771,307 | $ 7,915,773 | $ 114,687,080 |
| **SPLOST VII - 2013 SPLOST** | | | | | |
| Courthouse and Jail Expansion | $ 100,000,000 | $ 100,000,000 | $ 20,582,876 | $ 64,360,236 | $ 84,943,112 |
| Road, street, bridges and sidewalks | 76,925,025 | 76,925,025 | - | 1,522,777 | 1,522,777 |
| Animal Shelter | 2,999,975 | 2,999,975 | 1,638,822 | 5,044 | 1,643,866 |
| 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 | $ 22,221,698 | $ 65,888,057 | $ 88,109,755 |
| | | | | $ 73,820,469 | |

# 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.

**Employee Health Benefit Fund –** to account for charges to other funds and for the payment of the County's health insurance and claims.

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

**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, 2014

| | Risk Management Fund | Employee Health Benefits Fund | Workers' Compensation Fund | Fleet Maintenance Fund | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash | $ 2,352,630 | $ 1,507,398 | $ 1,302,444 | $ 333,609 | $ 5,496,081 |
| Investments | - | - | 2,327,939 | - | 2,327,939 |
| Receivables | 12,536 | 125,542 | 3,559 | - | 141,637 |
| Inventories | - | - | - | 194,391 | 194,391 |
| Prepaid items | 339,313 | - | 145,420 | - | 484,733 |
| Total current assets | 2,704,479 | 1,632,940 | 3,779,362 | 528,000 | 8,644,781 |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Capital assets, being depreciated | - | - | - | 720,088 | 720,088 |
| Less accumulated depreciation | - | - | - | (539,228) | (539,228) |
| Total capital assets, net of accumulated depreciation | - | - | - | 180,860 | 180,860 |
| Total assets | 2,704,479 | 1,632,940 | 3,779,362 | 708,860 | 8,825,641 |
| **LIABILITIES** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 64,397 | 81,018 | 74,692 | 5,553 | 225,660 |
| Compensated absences, due within one year | 2,409 | - | - | 52,075 | 54,484 |
| Claims payable, due within one year | 152,327 | 1,459,934 | 526,495 | - | 2,138,756 |
| Total current liabilities | 219,133 | 1,540,952 | 601,187 | 57,628 | 2,418,900 |
| Long-term liabilities: | | | | | |
| Compensated absences, due in more than one year | 602 | - | - | 13,019 | 13,621 |
| Claims payable, long term | 497,673 | - | 1,523,505 | - | 2,021,178 |
| Total long-term liabilities | 498,275 | - | 1,523,505 | 13,019 | 2,034,799 |
| Total liabilities | 717,408 | 1,540,952 | 2,124,692 | 70,647 | 4,453,699 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | - | - | - | 180,860 | 180,860 |
| Unrestricted | 1,987,071 | 91,988 | 1,654,670 | 457,353 | 4,191,082 |
| Total net position | $ 1,987,071 | $ 91,988 | $ 1,654,670 | $ 638,213 | $ 4,371,942 |

## FORSYTH COUNTY, GEORGIA

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
### INTERNAL SERVICE FUNDS
### FOR THE YEAR ENDED DECEMBER 31, 2014

| | Risk Management Fund | Employee Health Benefits Fund | Workers' Compensation Fund | Fleet Maintenance Fund | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for services | $ 1,557,163 | $ 17,439,544 | $ 1,064,724 | $ 1,290,300 | $ 21,351,731 |
| Insurance recoveries | 80,866 | - | 79,695 | - | 160,561 |
| Other operating income | - | - | - | 1,017 | 1,017 |
| Total operating revenues | 1,638,029 | 17,439,544 | 1,144,419 | 1,291,317 | 21,513,309 |
| **OPERATING EXPENSES** | | | | | |
| Salaries and benefits | 160,194 | - | - | 990,369 | 1,150,563 |
| Supplies and maintenance | - | - | - | 236,096 | 236,096 |
| Claims paid | 1,125,653 | 16,109,961 | 1,704,066 | - | 18,939,680 |
| Insurance premiums | 31,505 | 993,334 | - | - | 1,024,839 |
| General and administrative | 71,903 | 244,788 | - | - | 316,691 |
| Depreciation expense | - | - | - | 37,533 | 37,533 |
| Total operating expenses | 1,389,255 | 17,348,083 | 1,704,066 | 1,263,998 | 21,705,402 |
| Operating income (loss) | 248,774 | 91,461 | (559,647) | 27,319 | (192,093) |
| **NONOPERATING REVENUES** | | | | | |
| Investment earnings | 2,340 | 527 | 11,559 | - | 14,426 |
| Total nonoperating revenues | 2,340 | 527 | 11,559 | - | 14,426 |
| Change in net position | 251,114 | 91,988 | (548,088) | 27,319 | (177,667) |
| **NET POSITION, beginning of year** | 1,735,957 | - | 2,202,758 | 610,894 | 4,549,609 |
| **NET POSITION, end of year** | $ 1,987,071 | $ 91,988 | $ 1,654,670 | $ 638,213 | $ 4,371,942 |

## FORSYTH COUNTY, GEORGIA

### COMBINING STATEMENT OF CASH FLOWS
### INTERNAL SERVICE FUNDS
### FOR THE YEAR ENDED DECEMBER 31, 2014

| | Risk Management Fund | Employee Health Benefits Fund | Workers Compensation Fund | Fleet Maintenance Fund | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Receipts from customers | $ 1,625,493 | $ 17,314,002 | $ 998,999 | $ 1,291,758 | $ 21,230,252 |
| Payments to suppliers and service providers | (1,407,602) | (15,807,131) | (1,124,374) | (253,040) | (18,592,147) |
| Payments to employees | (164,165) | - | - | (1,012,579) | (1,176,744) |
| Net cash provided (used) by operating activities | 53,726 | 1,506,871 | (125,375) | 26,139 | 1,461,361 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchased investments | - | - | (12,583) | - | (12,583) |
| Interest received | 2,340 | 527 | 14,082 | - | 16,949 |
| Net cash provided by investing activities | 2,340 | 527 | 1,499 | - | 4,366 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Purchases of capital assets | - | - | - | (60,900) | (60,900) |
| Net cash used by capital and related financing activities | - | - | - | (60,900) | (60,900) |
| Net increase (decrease) in cash and cash equivalents | 56,066 | 1,507,398 | (123,876) | (34,761) | 1,404,827 |
| **Cash and cash equivalents:** | | | | | |
| Beginning of year | 2,296,564 | - | 1,426,320 | 368,370 | 4,091,254 |
| End of year | $ 2,352,630 | $ 1,507,398 | $ 1,302,444 | $ 333,609 | $ 5,496,081 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | | |
| Operating income (loss) | $ 248,774 | $ 91,461 | $ (559,647) | $ 27,319 | $ (192,093) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | - | - | - | 37,533 | 37,533 |
| Decrease (increase) in accounts receivable | (12,536) | (125,542) | - | 441 | (137,637) |
| Decrease in inventory | - | - | - | 24,377 | 24,377 |
| Increase in prepaids | (5,198) | - | (145,420) | - | (150,618) |
| Increase (decrease) in accounts payable | 6,657 | 81,018 | 59,692 | (41,321) | 106,046 |
| Decrease in compensated absences | (3,971) | - | - | (22,210) | (26,181) |
| Increase (decrease) in claims payable | (180,000) | 1,459,934 | 520,000 | - | 1,799,934 |
| Net cash provided (used) by operating activities | $ 53,726 | $ 1,506,871 | $ (125,375) | $ 26,139 | $ 1,461,361 |

# 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, 2014

| ASSETS | Tax Commissioner | Sheriff | Clerk of Superior Court | Probate Court | Magistrate Court | Juvenile Court | Total |
|---|---|---|---|---|---|---|---|
| Cash | $ 4,789,884 | $ 217,367 | $ 2,680,750 | $ 15,783 | $ 25,029 | $ 3,673 | $ 7,732,486 |
| Other receivables | 19,766 | 2,744 | - | - | - | - | 22,510 |
| Taxes receivable | 8,021,355 | - | - | - | - | - | 8,021,355 |
| Total assets | $ 12,831,005 | $ 220,111 | $ 2,680,750 | $ 15,783 | $ 25,029 | $ 3,673 | $ 15,776,351 |
| **LIABILITIES** | | | | | | | |
| Due to others | $ 4,809,650 | $ 220,111 | $ 2,680,750 | $ 15,783 | $ 25,029 | $ 3,673 | $ 7,754,996 |
| Uncollected taxes | 8,021,355 | - | - | - | - | - | 8,021,355 |
| Total liabilities | $ 12,831,005 | $ 220,111 | $ 2,680,750 | $ 15,783 | $ 25,029 | $ 3,673 | $ 15,776,351 |

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
## AGENCY FUNDS
## FOR THE YEAR ENDED DECEMBER 31, 2014

| | Balance January 1, 2014 | Increases | Decreases | Balance December 31, 2014 |
|---|---|---|---|---|
| **Tax Commissioner** | | | | |
| **ASSETS** | | | | |
| Cash | $ 3,982,363 | $ 268,699,374 | $ (267,891,853) | $ 4,789,884 |
| Other receivables | 5,323 | 19,766 | (5,323) | 19,766 |
| Taxes receivable | 8,544,145 | 210,063,869 | (210,586,659) | 8,021,355 |
| Total assets | $ 12,531,831 | $ 478,783,009 | $ (478,483,835) | $ 12,831,005 |
| **LIABILITIES** | | | | |
| Due to others | $ 3,987,686 | $ 268,719,140 | $ (267,897,176) | $ 4,809,650 |
| Uncollected taxes | 8,544,145 | 210,063,869 | (210,586,659) | 8,021,355 |
| Total liabilities | $ 12,531,831 | $ 478,783,009 | $ (478,483,835) | $ 12,831,005 |
| **Sheriff** | | | | |
| **ASSETS** | | | | |
| Cash | $ 251,398 | $ 1,852,626 | $ (1,886,657) | $ 217,367 |
| Other receivables | - | 2,744 | - | 2,744 |
| Total assets | $ 251,398 | $ 1,855,370 | $ (1,886,657) | $ 220,111 |
| **LIABILITIES** | | | | |
| Due to others | $ 251,398 | $ 1,855,370 | $ (1,886,657) | $ 220,111 |
| Total liabilities | $ 251,398 | $ 1,855,370 | $ (1,886,657) | $ 220,111 |
| **Clerk of Superior Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 2,628,927 | $ 16,508,182 | $ (16,456,359) | $ 2,680,750 |
| Total assets | $ 2,628,927 | $ 16,508,182 | $ (16,456,359) | $ 2,680,750 |
| **LIABILITIES** | | | | |
| Due to others | $ 2,628,927 | $ 16,508,182 | $ (16,456,359) | $ 2,680,750 |
| Total liabilities | $ 2,628,927 | $ 16,508,182 | $ (16,456,359) | $ 2,680,750 |

(Continued)

# FORSYTH COUNTY, GEORGIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
## AGENCY FUNDS
## FOR THE YEAR ENDED DECEMBER 31, 2014

| | Balance January 1, 2014 | Increases | Decreases | Balance December 31, 2014 |
|---|---|---|---|---|
| **Probate Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 19,546 | $ 814,763 | $ (818,526) | $ 15,783 |
| Total assets | $ 19,546 | $ 814,763 | $ (818,526) | $ 15,783 |
| **LIABILITIES** | | | | |
| Due to others | $ 19,546 | $ 814,763 | $ (818,526) | $ 15,783 |
| Total liabilities | $ 19,546 | $ 814,763 | $ (818,526) | $ 15,783 |
| **Magistrate Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 83,817 | $ 812,442 | $ (871,230) | $ 25,029 |
| Total assets | $ 83,817 | $ 812,442 | $ (871,230) | $ 25,029 |
| **LIABILITIES** | | | | |
| Due to others | $ 83,817 | $ 812,442 | $ (871,230) | $ 25,029 |
| Total liabilities | $ 83,817 | $ 812,442 | $ (871,230) | $ 25,029 |
| **Juvenile Court** | | | | |
| **ASSETS** | | | | |
| Cash | $ 30 | $ 38,919 | $ (35,276) | $ 3,673 |
| Total assets | $ 30 | $ 38,919 | $ (35,276) | $ 3,673 |
| **LIABILITIES** | | | | |
| Due to others | $ 30 | $ 38,919 | $ (35,276) | $ 3,673 |
| Total liabilities | $ 30 | $ 38,919 | $ (35,276) | $ 3,673 |
| **Total Agency Funds** | | | | |
| **ASSETS** | | | | |
| Cash | $ 6,966,081 | $ 288,726,306 | $ (287,959,901) | $ 7,732,486 |
| Other receivables | 5,323 | 22,510 | (5,323) | 22,510 |
| Taxes receivable | 8,544,145 | 210,063,869 | (210,586,659) | 8,021,355 |
| Total assets | $ 15,515,549 | $ 498,812,685 | $ (498,551,883) | $ 15,776,351 |
| **LIABILITIES** | | | | |
| Due to others | $ 6,971,404 | $ 288,748,816 | $ (287,965,224) | $ 7,754,996 |
| Uncollected taxes | 8,544,145 | 210,063,869 | (210,586,659) | 8,021,355 |
| Total liabilities | $ 15,515,549 | $ 498,812,685 | $ (498,551,883) | $ 15,776,351 |

# Statistical Section

2014 Comprehensive Annual Financial Report

**FORSYTH** COUNTY

# 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 ..... 102-109**

**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 ..... 110-116**

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

**Debt Capacity ..... 117-121**

**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 ..... 122 and 123**

**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 ..... 124-127**

**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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | $ 225,821 | $ 561,438 (1) | $ 657,742 | $ 699,078 | $ 693,335 | $ 697,529 | $ 756,006 | $ 754,041 | $ 773,963 | $ 824,767 |
| Restricted: | | | | | | | | | | |
| Debt service | 3,998 | 4,852 | 6,498 | 7,446 | 23,355 | 28,451 | 29,941 | 30,184 | 20,285 | 18,462 |
| Fire services | 134 | - | - | - | - | - | - | - | - | - |
| Capital projects | 12,166 | 18,754 | 10,921 | 20,312 | 31,777 | 35,147 | 47,647 | 41,721 | 47,890 | 41,157 |
| Impact fee programs | - | - | 12,429 (2) | 12,343 | - | - | - | - | - | - |
| Public safety programs | 3,727 | - | 1,391 | 1,851 | - | - | 6,796 | 8,240 | 8,503 | 8,783 |
| Public works | - | - | - | - | - | - | - | - | 1,937 | 3,021 |
| Judicial programs | 250 | 268 | 133 | 46 | - | - | 251 | 249 | 134 | 119 |
| Jail construction | - | - | - | - | - | - | 408 | 324 | 233 | 105 |
| Grant projects | - | - | - | - | - | - | 56 | 12 | 4 | - |
| Unrestricted: | 63,187 | 64,310 | 35,991 | 23,912 | 28,316 | 45,012 | 36,368 | 47,822 | 67,414 | 73,670 |
| Total governmental activities net position | $ 309,283 | $ 649,622 | $ 725,105 | $ 764,988 | $ 776,783 | $ 806,139 | $ 877,473 | $ 882,593 | $ 920,363 | $ 970,084 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | $ 178,264 | $ 212,336 | $ 234,720 | $ 236,780 | $ 236,145 | $ 275,887 | $ 281,932 | $ 289,344 | $ 291,107 | $ 312,319 |
| Restricted | 2,597 | 2,695 | 1,738 | 2,418 | 4,075 | 4,142 | 4,207 | 4,259 | 4,315 | 4,326 |
| Unrestricted | 31,506 | 49,403 | 59,703 | 57,755 | 45,253 | 35,317 | 41,135 | 43,590 | 52,846 | 53,336 |
| Total business-type activities net position | $ 212,367 | $ 264,434 | $ 296,161 | $ 296,953 | $ 285,473 | $ 315,346 | $ 327,274 | $ 337,193 | $ 348,268 | $ 369,981 |
| PRIMARY GOVERNMENT | | | | | | | | | | |
| Net investment in capital assets | $ 404,085 | $ 773,774 | $ 892,462 | $ 935,858 | $ 929,480 | $ 973,416 | $ 1,037,938 | $ 1,043,385 | $ 1,065,070 | $ 1,137,086 |
| Restricted | 22,872 | 26,569 | 33,110 | 44,416 | 59,207 | 67,740 | 89,306 | 84,989 | 83,301 | 75,973 |
| Unrestricted | 94,693 | 113,713 | 95,694 | 81,667 | 73,569 | 80,329 | 77,503 | 91,412 | 120,260 | 127,006 |
| Total primary government net position | $ 521,650 | $ 914,056 | $ 1,021,266 | $ 1,061,941 | $ 1,062,256 | $ 1,121,485 | $ 1,204,747 | $ 1,219,786 | $ 1,268,631 | $ 1,340,065 |

(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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| EXPENSES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General Government | $ 5,636 | $ 11,914 | $ 37,603 | $ 29,262 | $ 17,246 (1) | $ 14,181 | $ 12,658 | $ 13,558 | $ 20,445 | $ 27,209 |
| Judicial | 8,141 | 9,543 | 10,678 | 11,679 | 11,618 | 11,271 | 11,276 | 12,536 | 11,888 | 13,360 |
| Public Safety | 36,439 | 43,327 | 50,289 | 62,991 | 61,072 | 57,674 | 59,341 | 63,465 | 58,783 | 62,404 |
| Public Works | 16,866 | 27,449 | 9,289 | 16,198 | 15,913 | 15,791 | 15,133 | 21,510 | 25,269 | 19,105 |
| Health and Welfare | 1,736 | 2,138 | 2,409 | 3,059 | 2,483 | 2,529 | 3,108 | 3,131 | 2,686 | 2,767 |
| Culture and Recreation | 10,071 | 10,684 | 12,081 | 13,568 | 15,689 | 13,524 | 12,877 | 15,332 | 14,243 | 16,743 |
| Housing and Development | 4,107 | 5,094 | 6,759 | 7,168 | 5,717 | 4,460 | 4,197 | 4,466 | 7,305 | 4,643 |
| Interest and paying agent fees | 1,809 | 1,763 | 1,828 | 2,043 | 6,400 (2) | 6,360 | 6,207 | 5,860 | 5,353 | 5,723 |
| Total governmental activities expenses | 84,805 | 111,912 | 130,936 | 145,968 | 136,138 | 125,790 | 124,797 | 139,858 | 145,972 | 151,954 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 24,629 | 48,518 | 39,617 | 38,322 | 32,521 | 32,283 | 31,457 | 34,220 | 39,159 | 43,383 |
| Solid waste | 1,571 | 835 | 557 | 985 | 599 | 671 | 789 | 705 | 672 | 792 |
| Total business-type activities expenses | 26,200 | 49,353 | 40,174 | 39,307 | 33,120 | 32,954 | 32,246 | 34,925 | 39,831 | 44,175 |
| Total primary government expenses | $ 111,005 | $ 161,265 | $ 171,110 | $ 185,275 | $ 169,258 | $ 158,744 | $ 157,043 | $ 174,783 | $ 185,803 | $ 196,129 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | $ 545 | $ 464 | $ 14,886 | $ 11,699 | $ 6,472 | $ 5,896 | $ 6,232 | $ 6,027 | $ 6,000 | $ 5,947 |
| Judicial | 3,843 | 3,547 | 4,375 | 4,184 | 4,553 | 4,367 | 4,487 | 4,566 | 4,719 | 4,657 |
| Public Safety | 4,837 | 5,390 | 6,185 | 6,280 | 5,194 | 5,221 | 4,868 | 4,699 | 4,787 | 5,286 |
| Public Works | 113 | 100 | 20 | 181 | 1,132 | 1,938 | 2,101 | 4,167 | 4,873 | 4,768 |
| Health and Welfare | - | 2 | 8 | 26 | 67 | 69 | 92 | 144 | 151 | 81 |
| Culture and Recreation | 5,750 | 5,981 | 1,534 | 1,816 | 1,868 | 1,849 | 1,895 | 2,266 | 2,543 | 2,644 |
| Housing and Development | 6,796 | 7,456 | 364 | 381 | 2,588 | 2,800 | 2,845 | 3,764 | 4,495 | 5,202 |
| Total charges for services | 21,884 | 22,940 | 27,372 | 24,567 | 21,874 | 22,140 | 22,520 | 25,633 | 27,568 | 28,585 |
| Operating grants and contributions | 1,611 | 1,756 | 1,778 | 1,784 | 3,084 | 1,347 | 1,283 | 1,343 | 1,658 | 3,736 |
| Capital grants and contributions | 19,253 | 46,266 | 58,620 | 43,006 | 3,967 (3) | 6,200 | 35,503 | 5,365 | 12,055 | 18,186 |
| Total governmental activities program revenues | 42,748 | 70,962 | 87,770 | 69,357 | 28,925 | 29,687 | 59,306 | 32,341 | 41,281 | 50,507 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 19,129 | 25,721 | 41,677 | 20,150 | 28,408 | 30,156 | 32,179 | 32,521 | 33,649 | 34,773 |
| Solid waste | 637 | 684 | 608 | 929 | 1,492 | 1,227 | 1,803 | 1,461 | 1,919 | 2,027 |
| Total charges for services | 19,766 | 26,405 | 42,285 | 21,079 | 29,900 | 31,383 | 33,982 | 33,982 | 35,568 | 36,800 |
| Operating grants and contributions | - | 8 | 8 | 12 | - | - | - | - | - | - |
| Capital grants and contributions | 42,652 | 50,472 | 26,100 | 15,548 | 5,565 | 28,019 | 9,695 | 13,088 | 15,699 | 29,343 |
| Total business-type activities program revenues | 62,418 | 76,885 | 68,393 | 36,639 | 35,465 | 59,402 | 43,677 | 47,070 | 51,267 | 66,143 |
| Total primary government program revenues | $ 105,166 | $ 147,847 | $ 156,163 | $ 105,996 | $ 64,390 | $ 89,089 | $ 102,983 | $ 79,411 | $ 92,548 | $ 116,650 |

(continued)

# FORSYTH COUNTY, GEORGIA

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | $ (42,057) | $ (40,950) | $ (43,166) | $ (76,611) | $ (107,213) | $ (96,103) | $ (65,491) | $ (107,517) | $ (104,691) | $ (101,447) |
| Business-type activities | 36,218 | 27,532 | 28,219 | (2,668) | 2,345 | 26,448 | 11,431 | 12,145 | 11,436 | 21,968 |
| Total primary government net expense | $ (5,839) | $ (13,418) | $ (14,947) | $ (79,279) | $ (104,868) | $ (69,655) | $ (54,060) | $ (95,372) | $ (93,255) | $ (79,479) |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | $ 38,979 | $ 42,940 | $ 42,310 | $ 49,433 | $ 63,209 | $ 66,473 | $ 70,006 | $ 67,763 | $ 65,424 | $ 65,927 |
| Sales Taxes | 51,791 | 59,202 | 59,680 | 54,334 | 46,539 | 50,635 | 54,243 | 57,422 | 57,337 | 62,001 |
| Insurance premium taxes | 4,149 | 4,348 | 4,572 | 4,683 | 4,616 | 4,489 | 7,114 | 7,600 | 7,899 | 8,336 |
| Real estate and recording taxes | 3,238 | 4,183 | 2,885 | 2,012 | - | - | - | - | - | - |
| Other taxes (old) | 2,439 | 2,830 | 2,817 | 2,971 | - | - | - | - | - | - |
| Other taxes | 5,677 | 7,013 | 5,702 | 4,983 | 2,810 | 2,898 | 3,154 | 3,489 | 9,854 | 12,990 |
| Total taxes | 100,596 | 113,503 | 112,264 | 113,433 | 117,174 | 124,495 | 134,517 | 136,274 | 140,514 | 149,254 |
| Unrestricted grants and contributions | 1,480 | 1,493 | 1,467 | 1,667 | - | - | - | - | - | - |
| Investment earnings | 2,861 | 4,937 | 5,014 | 2,684 | 1,069 | 1,149 | 980 | 749 | 668 | 775 |
| Miscellaneous | 233 | 98 | - | - | 2,673 | 520 | 1,327 | 784 | 673 | 673 |
| Gain on sale of capital assets | 69 | 119 | 56 | 103 | - | - | - | - | 108 | - |
| Transfers | - | (434) | - | - | - | - | - | 500 | 500 | 465 |
| Total governmental activities | 105,240 | 119,716 | 118,801 | 117,887 | 120,916 | 126,164 | 136,824 | 138,307 | 142,463 | 151,167 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 684 | 2,279 | 3,509 | 3,460 | 594 | 777 | 497 | 231 | 139 | 210 |
| Miscellaneous | - | - | - | - | - | 2 | - | - | - | - |
| Intergovernmental revenue | - | - | - | - | - | - | - | 239 | - | - |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | 434 | - | - | - | - | - | (500) | (500) | (465) |
| Total business-type activities | 684 | 2,713 | 3,509 | 3,460 | 594 | 779 | 497 | (30) | (361) | (255) |
| Total primary government | $ 105,924 | $ 122,429 | $ 122,310 | $ 121,347 | $ 121,510 | $ 126,943 | $ 137,321 | $ 138,277 | $ 142,102 | $ 150,912 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | $ 63,182 | $ 78,766 | $ 75,635 | $ 41,276 | $ 13,703 (3) | $ 30,061 | $ 71,333 | $ 30,790 | $ 37,772 | $ 49,720 |
| Business-type activities | 36,902 | 30,245 | 31,728 | 792 | 2,939 | 27,227 | 11,928 | 12,115 | 11,075 | 21,713 |
| Total primary government | $ 100,085 | $ 109,011 | $ 107,363 | $ 42,068 | $ 16,642 | $ 57,288 | $ 83,261 | $ 42,905 | $ 48,847 | $ 71,433 |

(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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 (3) | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| General fund | | | | | | | | | | |
| Reserved | $ 808 | $ 292 | $ 651 | $ 173 | $ 14,736 (1) | $ 22,925 | $ - | $ - | $ - | $ - |
| Unreserved | 48,238 | 40,857 | 33,083 | 27,026 | - (1) | 4,548 | - | - | - | - |
| Nonspendable: | | | | | | | | | | |
| Prepaids | - | - | - | - | - | - | 5 | 161 | 178 | 55 |
| Inventory | - | - | - | - | - | - | 275 | 374 | 378 | 331 |
| Long term advances | - | - | - | - | - | - | - | - | 3,531 | 3,531 |
| Restricted: | | | | | | | | | | |
| Grant projects | - | - | - | - | - | - | 48 | 12 | 4 | - |
| Committed: | | | | | | | | | | |
| Tree replacement | - | - | - | - | - | - | 23 | 18 | 51 | 63 |
| Paving expenditures | - | - | - | - | - | - | 222 | 526 | 561 | - |
| Assigned: | | | | | | | | | | |
| Use of fund balance in subsequent budget | - | - | - | - | - | - | 1,046 | 54 | 75 | 77 |
| Use of fund balance for City road improvements | - | - | - | - | - | - | - | 3,500 | - | - |
| Professional services | - | - | - | - | - | - | 42 | 136 | 213 | 129 |
| Capital projects | - | - | - | - | - | - | 747 | 444 | 712 | 229 |
| Supplies and materials | - | - | - | - | - | - | 5 | 19 | 139 | 342 |
| Health insurance administration | - | - | - | - | - | - | - | 69 | 50 | - |
| Unassigned | - | - | - | - | - | - | 35,483 | 38,980 | 41,512 | 46,694 |
| Total general fund | 49,046 | 41,149 | 33,734 | 27,199 | 14,736 | 27,473 | 37,896 | 44,293 | 47,404 | 51,451 |

**Continued**

# FORSYTH COUNTY, GEORGIA

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 (3) | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| All other governmental funds | | | | | | | | | | |
| Reserved | $ 16,298 | $ 24,150 | $ 30,361 | $ 127,499 | $ 106,055 (2) | $ 97,532 | $ - | $ - | $ - | $ - |
| Unreserved, designated | - | - | - | - | 8,300 | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 3,977 | 1,526 | 669 | 1,883 | 1,935 | 4,988 | - | - | - | - |
| Debt service funds | - | - | - | - | - | - | - | - | - | - |
| Capital projects funds | 1,048 | 6,984 | (8,597) | (7,123) | 417 | 184 | - | - | - | - |
| Nonspendable: | | | | | | | | | | |
| Prepaids | - | - | - | - | - | - | - | 6 | 6 | - |
| Inventory | - | - | - | - | - | - | 387 | 369 | 380 | 362 |
| Long-term advances | - | - | - | - | - | - | 97 | 48 | - | - |
| Restricted: | | | | | | | | | | |
| Judicial services | - | - | - | - | - | - | 251 | 249 | 134 | 119 |
| Public safety services | - | - | - | - | - | - | 6,796 | 8,103 | 8,372 | 8,647 |
| Public works | - | - | - | - | - | - | - | - | 1,937 | 3,021 |
| Grant projects | - | - | - | - | - | - | 8 | - | - | - |
| Capital projects | - | - | - | - | - | - | 59,971 | 60,247 | 77,029 | 68,521 |
| Jail construction and equipping | - | - | - | - | - | - | 408 | 324 | 233 | 104 |
| Debt service | - | - | - | - | - | - | 29,941 | 30,118 | 20,232 | 18,403 |
| Assigned for capital projects | - | - | - | - | - | - | - | 209 | 20,307 | 22,113 |
| Unassigned | - | - | - | - | - | - | - | 1,923 | (276) | (2,433) |
| Total all other governmental funds | 21,323 | 32,660 | 22,433 | 122,259 | 116,707 | 102,704 | 97,859 | 101,596 | 128,354 | 118,857 |
| Total all funds | $ 70,369 | $ 73,809 | $ 56,167 | $ 149,458 | $ 131,443 | $ 130,177 | $ 135,755 | $ 145,889 | $ 175,758 | $ 170,308 |

(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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | | | | |
| Taxes (see table 5) | $ 97,109 | $ 109,431 | $ 112,195 | $ 112,641 | $ 116,381 | $ 124,817 | $ 134,633 | $ 136,607 | $ 140,547 | $ 149,249 |
| Licenses and permits | 13,318 | 13,902 | 11,023 | 6,818 | 3,784 | 4,074 | 4,365 | 5,280 | 5,856 | 6,286 |
| Intergovernmental | 5,170 | 16,589 | 6,506 | 7,495 | 5,248 | 2,882 | 4,231 | 3,326 | 9,083 | 3,672 |
| Fines and forfeitures | 2,946 | 4,049 | 3,376 | 4,719 | 4,089 | 3,930 | 3,329 | 3,349 | 3,210 | 4,012 |
| Charges for services | 9,190 | 10,019 | 12,012 | 12,996 | 13,751 | 14,065 | 14,756 | 16,934 | 18,432 | 18,287 |
| Contributions and donations | 273 | 1,603 | 9,180 | 3,324 | 140 | 82 | 69 | 71 | 53 | 77 |
| Investment earnings | 2,550 | 4,329 | 3,936 | 2,459 | 1,377 | 1,192 | 1,004 | 778 | 713 | 824 |
| Miscellaneous | 492 | 450 | 505 | 484 | 2,743 | 1,074 | 1,527 | 854 | 743 | 704 |
| Total revenues | 131,048 | 160,372 | 158,733 | 150,935 | 147,513 | 152,116 | 163,914 | 167,199 | 178,637 | 183,111 |
| EXPENDITURES | | | | | | | | | | |
| General government | 7,365 | 8,065 | 10,328 | 13,396 | 15,216 | 10,742 | 11,075 | 11,294 | 19,834 | 20,418 |
| Judicial | 8,145 | 9,541 | 10,183 | 10,539 | 11,107 | 10,942 | 11,599 | 12,288 | 11,685 | 12,416 |
| Public safety | 36,748 | 43,559 | 48,417 | 54,340 | 56,003 | 54,706 | 59,103 | 59,578 | 56,524 | 59,537 |
| Public works | 7,964 | 9,160 | 7,701 | 6,610 | 6,616 | 5,473 | 5,989 | 12,374 | 14,571 | 8,999 |
| Public health and welfare | 1,648 | 2,138 | 2,307 | 2,678 | 2,410 | 2,499 | 3,051 | 3,094 | 2,694 | 2,653 |
| Recreation and culture | 9,575 | 10,671 | 11,734 | 12,022 | 12,095 | 11,563 | 12,245 | 14,152 | 15,289 | 14,262 |
| Housing and development | 4,245 | 4,954 | 6,389 | 6,311 | 5,478 | 4,356 | 4,324 | 4,691 | 7,357 | 4,717 |
| Intergovernmental | 4,182 | 10,796 | 13,145 | 13,889 | - | 1,165 | 1,250 | 1,322 | 647 | 183 |
| Capital Outlay | 41,223 | 52,398 | 63,472 | 56,110 | 54,731 | 34,578 | 32,290 | 23,014 | 29,400 | 85,051 |
| Principal on long-term debt | 693 | 888 | 1,098 | 1,343 | 1,405 | 10,070 | 10,870 | 11,750 | 12,655 | 4,801 |
| Interest and paying agent fees | 1,643 | 1,620 | 1,576 | 1,518 | 5,670 | 7,198 | 6,736 | 6,480 | 5,231 | 5,594 |
| Bond issuance costs | - | - | - | 834 | - | - | - | - | - | - |
| Total expenditures | 123,431 | 153,790 | 176,350 | 179,590 | 170,731 | 153,292 | 158,532 | 160,037 | 175,887 | 218,631 |
| Excess of revenues over (under) expenditures | 7,617 | 6,582 | (17,617) | (28,655) | (23,218) | (1,176) | 5,382 | 7,162 | 2,750 | (35,520) |

(continued)

# FORSYTH COUNTY, GEORGIA

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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Sale of County Property | 69 | 275 | 56 | 290 | 89 | 32 | 196 | 28 | 276 | 6 |
| Transfers in | 7,771 | 20,631 | 17,268 | 6,017 | 12,023 | 20,668 | 11,008 | 20,361 | 14,747 | 15,598 |
| Transfers out | (7,871) | (24,048) | (17,196) | (5,691) | (12,023) | (20,668) | (11,008) | (17,695) | (11,628) | (15,133) |
| Proceeds from bond refunding | - | - | - | - | - | - | - | 20,960 | 21,231 | 29,599 |
| Proceeds from general obligation bond | - | - | - | 118,000 | - | - | - | - | - | - |
| Proceeds from installment sale | - | - | - | - | - | - | - | - | - | - |
| Premium on bonds issued | - | - | - | 3,330 | - | - | - | - | 2,493 | - |
| Payments to refunded bond escrow agent | - | - | - | - | - | - | - | (20,682) | - | - |
| Total other financing sources (uses) | (31) | (3,142) | 128 | 121,946 | 89 | 32 | 196 | 2,972 | 27,119 | 30,070 |
| Net change in fund balances | $ 7,586 | $ 3,440 | $ (17,489) | $ 93,291 | $ (23,129) | $ (1,144) | $ 5,578 | $ 10,134 | $ 29,869 | $ (5,450) |
| Debt service as a percentage of noncapital expenditures | 2.8% | 2.5% | 2.4% | 3.0% | 6.1% | 14.6% | 14.3% | 13.6% | 12.7% | 8.0% |

# 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 |
|---|---|---|---|---|---|---|
| 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 | 48,640 | 54,334 | - | 4,683 | 4,984 | 112,641 |
| 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 |
| 2014 | 65,922 | 62,001 | 8,539 | 8,336 | 4,451 | 149,249 |

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)

| | | Real Property | | | | Personal Property | | | | Less Exemptions: | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Tax Year | Residential Property | Agricultural Property (1) | Commercial & Industrial | Public Utilities | Inventory & Equipment (4) | Motor Vehicles | Mobile Homes | Other (2) | Real Property | Personal Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (3) | Assessed Value as a Percentage of Actual Value |
| 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% |
| 2015 | 2014 | 6,652,676 | 184,275 | 1,079,629 | 105,818 | 616,552 | 564,744 | 11,172 | 52,100 | 521,557 | 378,956 | 8,366,453 | 7.656 | 20,916,133 | 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 |
| 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 |
| 2015 | 2014 | 4.812 | 1.975 | 0.869 | 7.656 | 16.300 | 2.418 | 18.718 | 0.100 | 26.474 |

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, 2014
## (amounts expressed in thousands)

| | | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|---|
| 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 | $ 52,716 | 1 | 0.63% | $ 37,689 | 1 | 0.59% |
| Forsyth Owner 1 LP | Shopping Complex | 48,574 | 2 | 0.58% | | | |
| United Parcel Service | Delivery Service | 31,531 | 3 | 0.38% | | | |
| Georgia Transmission Corp | Power Transfer Utility | 27,045 | 4 | 0.32% | 17,483 | 2 | 0.27% |
| DDR Winter Garden LLC | Developer | 21,970 | 5 | 0.26% | | | |
| Lennar Georgia Inc. | Developer | 17,704 | 6 | 0.21% | | | |
| Scientific Games, Inc. | Printed Lottery Tickets | 17,341 | 7 | 0.21% | 10,396 | 6 | 0.16% |
| Mar Windemere LP | Developer | 15,640 | 8 | 0.19% | | | |
| D.R. Horton, Inc. | Developer | 14,564 | 9 | 0.17% | 10,569 | 5 | 0.17% |
| AT & T Services Inc. | Telephone/Cell Phone Service | 13,949 | 10 | 0.17% | | | |
| Bellsouth Telecommunications | Telephone Utility | | | | 16,561 | 3 | 0.26% |
| Pulte Homes Corp. | Home Builders | | | | 11,875 | 4 | 0.19% |
| USA Preston Pointes | Developer | | | | 10,377 | 7 | 0.16% |
| Centex Homes | Developer | | | | 9,855 | 8 | 0.15% |
| Hendon/Atlantic Rim John Creek, LLC | Real Estate | | | | 9,335 | 9 | 0.15% |
| James Creek Partners, LLC | Developer | | | | 9,154 | 10 | 0.14% |
| Totals | | $ 261,034 | | 3.12% | $ 143,294 | | 2.24% |

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 | |
| 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% | 3,653 | 44,191 | 100.00% | 1 |
| 2008 | 2007 | 11/15/07 | 48,722 | 1,257 | 1,241 | 51,220 | 47,192 | 96.86% | 4,015 | 51,207 | 99.97% | 13 |
| 2009 | 2008 | 11/15/08 | 60,011 | 1,065 | 1,394 | 62,470 | 54,665 | 91.09% | 7,786 | 62,451 | 99.97% | 19 |
| 2010 | 2009 | 11/15/09 | 62,417 | (584) | 178 | 62,011 | 57,274 | 91.76% | 4,715 | 61,989 | 99.96% | 22 |
| 2011 | 2010 | 11/15/10 | 66,880 | (795) | 249 | 66,334 | 62,299 | 93.15% | 3,995 | 66,294 | 99.94% | 40 |
| 2012 | 2011 | 11/15/11 | 64,220 | (683) | 145 | 63,682 | 60,935 | 94.88% | 2,673 | 63,608 | 99.88% | 74 |
| 2013 | 2012 | 11/15/12 | 62,782 | (692) | 39 | 62,129 | 59,802 | 95.25% | 2,258 | 62,060 | 99.89% | 69 |
| 2014 | 2013 | 11/15/13 | 63,593 | (546) | 67 | 63,114 | 61,239 | 96.30% | 1,679 | 62,918 | 99.69% | 196 |
| 2015 | 2014 | 11/15/14 | 66,304 | (102) | 32 | 66,234 | 64,430 | 97.17% | - | 64,430 | 97.28% | 1,804 |

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2014 are recorded as revenues in the financial statements in 2015 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, 2014
## (amounts expressed in thousands)

| Customer Name | Business | Gallons Metered | Total Water Billed | % of Total Billings |
|---|---|---|---|---|
| Forsyth County Schools | School System | 35,999,110 | $ 174,039 | 0.83% |
| Truby Inc. | Private Water System | 28,000,830 | 106,802 | 0.51% |
| City of Cumming | Government | 21,792,550 | 61,148 | 0.29% |
| Forsyth Owner 1 LP formerly Cousins Properties | Commercial Developer | 15,817,700 | 61,933 | 0.30% |
| A & A Water | Private Water System | 15,613,100 | 62,335 | 0.30% |
| Argos Ready Mix | Construction | 14,023,710 | 58,389 | 0.28% |
| Summit Crossing Apartments | Apartments | 10,645,100 | 42,751 | 0.20% |
| Mar Windermere, LP formerly Centennill, LLC Carlyle | Apartments | 9,962,680 | 48,939 | 0.23% |
| Pine Ridge Assoc, LLC | Private Water System | 8,091,190 | 31,234 | 0.15% |
| Davis Plumbing | Plumbing | 7,983,400 | 31,568 | 0.15% |
| All other customers | | | 20,206,718 | 96.75% |
| **Total Billing** | | | $ 20,885,855 | |

# FORSYTH COUNTY, GEORGIA

## TOP 10 SEWER CUSTOMERS
## December 31, 2014

| Customer Name | Business | Gallons Metered | Total Sewer Billed | % of Total Billings |
|---|---|---|---|---|
| Forsyth County School | School System | 35,999,110 | $ 178,268 | 1.48% |
| Forsyth Owner 1 LP formerly Cousins Properties | Commercial Developer | 15,817,700 | 77,038 | 0.64% |
| Summit Crossing Apartments | Apartments | 10,645,100 | 52,002 | 0.43% |
| Mar Windermere, LP formerly Centennill, LLC Carlyle | Apartments | 9,962,680 | 48,939 | 0.41% |
| TS Big Creek | Apartments | 7,963,600 | 39,024 | 0.32% |
| Scientific Games | Manufacturing | 6,720,300 | 33,006 | 0.27% |
| Solvay Specialty Polymers USA, LLC | Manufacturing | 5,112,110 | 25,283 | 0.21% |
| Amelia Bay | Manufacturing | 4,688,100 | 22,930 | 0.19% |
| T.R.I. Corporation | Medical Ophthalmic Optics | 4,641,010 | 22,702 | 0.19% |
| Oxford Summit | Apartments | 3,963,690 | 19,664 | 0.16% |
| All other customers | | | 11,542,146 | 95.70% |
| **Total Billing** | | | $ 12,061,003 | |

# FORSYTH COUNTY, GEORGIA

## WATER SYSTEM RATES, FEES AND CHARGES
## December 31, 2014

| 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) |
| 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 | 128,277 | 7,969 | - | 136,246 | 156,008 | 6,697 | 162,705 | 298,951 | 3.61% | 1,530 |
| 2014 | 152,756 | 7,934 | - | 160,690 | 151,137 | 6,826 | 157,963 | 318,653 | 3.66% | 1,560 |

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) |
|---|---|---|---|---|---|
| 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 | 128,277 | 20,232 | 108,045 | 0.54% | 553 |
| 2014 | 152,756 | 18,403 | 134,353 | 0.64% | 658 |

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, 2014
## (amounts expressed in thousands)

| Governmental Unit | Debt Outstanding | Percentage Applicable to Government | Amount Applicable to Government |
|---|---|---|---|
| Overlapping | | | |
| Forsyth County School District | $ 289,209 | 100.00% | $ 289,209 |
| Forsyth County direct debt | 160,690 | 100.00% | 160,690 |
| Total direct and overlapping debt | $ 449,899 | | $ 449,899 |

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)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Assessed value of property | $ 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 | $ 9,266,966 |
| Debt limit (10% of total assessed value) | 733,934 | 842,972 | 946,686 | 1,027,999 | 1,034,317 | 989,893 | 923,929 | 892,717 | 878,836 | 926,697 |
| Amount of Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | 33,390 | 32,710 | 31,820 | 148,685 | 147,280 | 137,210 | 126,340 | 116,395 | 128,277 | 152,756 |
| Less: Resources restricted to paying principal | (3,998) | (5,396) | (7,010) | (8,406) | (23,355) | (28,308) | (29,941) | (30,118) | (20,232) | (18,403) |
| Total net debt applicable to limit | 29,392 | 27,314 | 24,810 | 140,279 | 123,925 | 108,902 | 96,399 | 86,277 | 108,045 | 134,353 |
| Legal debt margin | $ 704,542 | $ 815,658 | $ 921,876 | $ 887,720 | $ 910,392 | $ 880,991 | $ 827,530 | $ 806,440 | $ 770,791 | $ 792,344 |
| Total net debt applicable to the limit as a percentage of debt limit | 4.00% | 3.24% | 2.62% | 13.65% | 11.98% | 11.00% | 10.43% | 9.66% | 12.29% | 14.50% |

# 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 | |
| 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 |
| 2014 | 34,772,661 | 26,852,671 | 7,919,990 | 3,900,000 | 5,249,526 | 9,149,526 | 0.87 |

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 | | |
| 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% |
| 2014 | 204,302 | 8,705,125 | 42,609 | 37 | 91.4% | 43.8% | 42,435 | 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

| | 2014 | | | 2005 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Forsyth County Schools | 4,496 | 1 | 4.87% | 3,139 | 1 | 4.35% |
| Northside Hospital - Forsyth | 2,200 | 2 | 2.38% | 700 | 7 | 0.97% |
| Forsyth County Government | 1,139 | 3 | 1.23% | 1,007 | 2 | 1.39% |
| Tyson Foods, Inc. | 1,100 | 4 | 1.19% | 1,000 | 3 | 1.38% |
| Scientific Games | 1,095 | 5 | 1.19% | 980 | 4 | 1.36% |
| Koch Foods | 900 | 6 | 0.97% | 700 | 6 | 0.97% |
| Publix | 685 | 7 | 0.74% | 436 | 9 | 0.60% |
| Siemens Energy & Automation, Inc. | 668 | 8 | 0.72% | 809 | 5 | 1.12% |
| Kroger Company | 534 | 9 | 0.58% | 637 | 8 | 0.88% |
| Wal-Mart Supercenter | 468 | 10 | 0.51% | - | - | - |
| Hansgrohe | - | | - | 326 | 10 | 0.45% |
| All other employers | 79,077 | | 85.62% | 62,473 | | 86.52% |
| Total | 92,362 | | 100.00% | 72,207 | | 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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| **Function** | | | | | | | | | | |
| General Government (1) | 163 | 183 | 204 | 202 | 173 | 168 | 170 | 172 | 171 | 187 |
| Judicial | 87 | 93 | 103 | 106 | 108 | 108 | 119 | 124 | 116 | 110 |
| Public Health and Welfare | 13 | 21 | 22 | 25 | 23 | 25 | 27 | 28 | 29 | 29 |
| Public Safety | | | | | | | | | | |
| Police | 281 | 313 | 349 | 381 | 367 | 366 | 367 | 373 | 331 | 328 |
| Officers | 281 | 313 | 349 | 381 | 367 | 289 | 285 | 295 | 273 | 268 |
| Civilians | 31 | 42 | 43 | 54 | 57 | 77 | 82 | 78 | 58 | 60 |
| Fire | 124 | 140 | 154 | 153 | 140 | 148 | 148 | 145 | 151 | 172 |
| Firefighters and officers | 124 | 140 | 154 | 153 | 140 | 140 | 140 | 138 | 145 | 166 |
| Civilians | 7 | 7 | 8 | 9 | 9 | 8 | 8 | 7 | 6 | 6 |
| E-911 and Coroners Office | 31 | 35 | 37 | 42 | 41 | 38 | 37 | 38 | 38 | 41 |
| Public Works | 80 | 84 | 83 | 87 | 80 | 77 | 77 | 79 | 78 | 76 |
| Recreation and Culture | 56 | 59 | 65 | 64 | 60 | 59 | 60 | 64 | 63 | 65 |
| Housing and Development | 53 | 55 | 67 | 65 | 38 | 34 | 35 | 37 | 39 | 47 |
| Solid Waste | 7 | 8 | 10 | 9 | 9 | 9 | 9 | 9 | 7 | 6 |
| Water & Sewer | 70 | 74 | 84 | 83 | 74 | 73 | 71 | 74 | 74 | 78 |
| Total | 965 | 1,065 | 1,178 | 1,217 | 1,113 | 1,105 | 1,120 | 1,143 | 1,097 | 1,139 |

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 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Sheriff | | | | | | | | | | |
| Physical arrests | 4,556 | 5,961 | 6,202 | 6,251 | 6,163 | 5,337 | 5,032 | 4,523 | 4,528 | 4,920 |
| Traffic violations | 16,475 | 19,363 | 30,608 | 36,412 | 37,305 | 39,791 | 30,024 | 17,140 (1) | 11,357 (1) | 12,985 |
| Fire | | | | | | | | | | |
| Number of calls answered | 9,313 | 9,761 | 10,530 | 11,075 | 10,934 | 11,530 | 11,566 | 12,361 | 12,738 | 12,799 |
| Inspections | 2,619 | 5,429 | 4,959 | 3,948 | 2,707 | 3,556 | 3,897 | 3,056 | 2,280 | 3,422 |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 63 | 52 | 57 | 64 | 69 | 80 | 60 | 73 | 46 | 49 |
| Potholes repaired | 429 | 383 | 357 | 420 | 503 | 502 | 305 (2) | 322 | 397 | 558 |
| Sanitation | | | | | | | | | | |
| Refuse collected (tons/day) | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 |
| Recyclables collected (tons/day) | 4 | 4 | 4 | 6 | 6 | 5 | 6 | 6 | 6 | 5 |
| Water | | | | | | | | | | |
| New connections | 3,098 | 3,059 | 2,570 | 630 | 591 | 894 | 1,043 | 1,603 | 2,064 | 2,120 |
| Water mains breaks | 58 | 63 | 66 | 66 | 54 | 52 | 72 | 61 | 48 | 60 |
| Average daily consumption (thousands of gallons) | 8,780 | 10,883 | 10,755 | 9,197 | 9,998 | 11,650 | 12,160 | 11,900 | 10,750 | 11,998 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 2,522 | 3,422 | 3,461 | 3,982 | 3,805 | 4,124 | 3,900 | 3,700 | 2,740 | 2,553 |

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 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Public safety | | | | | | | | | | |
| Sheriff: | | | | | | | | | | |
| Precincts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of vehicles | 212 | 210 | 247 | 292 | 318 | 317 | 338 | 338 | 324 | 316 |
| Fire: | | | | | | | | | | |
| Stations | 15 | 15 | 15 | 15 | 13 | 13 | 13 | 13 | 12 | 12 |
| Number of vehicles | 59 | 62 | 64 | 66 | 66 | 67 | 63 | 65 | 66 | 90 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 1,200 | 1,882 | 1,104 | 1,143 | 1,145 | 1,095 | 1,099 | 1,109 | 1,114 | 1,128 |
| Streetlights | - | - | - | - | - | - | - | 22 | 22 | 33 |
| Traffic signals | 6 | 6 | 49 | 54 | 61 | 65 | 71 | 70 | 70 | 71 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 1,334 | 1,603 | 1,642 | 1,642 | 2,500 | 2,600 | 3,250 | 3,250 | 3,250 | 3,250 |
| Parks | 13 | 46 | 16 | 16 | 17 | 18 | 18 | 23 | 23 | 23 |
| Baseball/softball fields | 44 | 47 | 47 | 47 | 48 | 52 | 52 | 52 | 52 | 52 |
| Tennis courts | 26 | 26 | 24 | 24 | 24 | 36 | 36 | 36 | 36 | 36 |
| Soccer/Football fields | 17 | 17 | 17 | 17 | 17 | 23 | 24 | 24 | 24 | 24 |
| Playgrounds | 9 | 12 | 12 | 12 | 12 | 14 | 14 | 20 | 20 | 20 |
| Community centers | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| Water | | | | | | | | | | |
| Water mains (miles) | 833 | 877 | 912 | 924 | 932 | 939 | 949 | 941 | 948 | 963 |
| Fire hydrants | 5,389 | 5,754 | 6,100 | 6,215 | 6,230 | 6,413 | 6,450 | 6,562 | 6,718 | 6,681 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 346 | 402 | 454 | 475 | 481 | 483 | 509 | 478 | 497 | 509 |

Sources: Various county departments.

Note: No capital asset indicators are available for the general government function.

# FORSYTH COUNTY, GEORGIA

## WATER SYSTEM STATISTICS
## Last Ten Fiscal Years

| Fiscal Year | Average Daily Demand (1) | Maximum Daily Demand (1) | Water System Accounts (2) | Sewer System Accounts (2) |
|---|---|---|---|---|
| 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 |
| **2014** | **12.00** | **17.24** | **52,309** | **24,830** |

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

(2) Number at year end.

# Single Audit Section

2014 Comprehensive Annual Financial Report

**FORSYTH** COUNTY

MAULDIN & JENKINS

# 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, 2014, 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 19, 2015. Our report 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. Our report also includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*.

**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 and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs, as item 2014-001, to be a material weakness.

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 2014-002 and 2014-003, to be significant deficiencies.

**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 19, 2015

MAULDIN & JENKINS

# 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, 2014. 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, 2014.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 19, 2015

# FORSYTH COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED DECEMBER 31, 2014

| 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 | 2013-DJ-BX-0319 | $ 10,136 |
| Passed through the Governor's Office of Children and Families: | | | |
| Juvenile Accountability Block Grant | 16.523 | JBR-10-01-006 | 40,144 |
| Juvenile Accountability Block Grant | 16.523 | N10-8-022 | 7,888 |
| | | | 48,032 |
| State Criminal Alien Assistance Program | 16.606 | 2014-AP-BX-0347 | 11,953 |
| Bulletproof Vest Program | 16.607 | 2013 BPV | 12,335 |
| Passed through the Criminal Justice Coordinating Council: | | | |
| VOCA Victims Assistance Grant (Sheriff) | 16.575 | C13-8-022 | 12,609 |
| VOCA Victims Assistance Grant (District Attorney) | 16.575 | C12-8-058 | 54,969 |
| VOCA Victims Assistance Grant (Sheriff) | 16.575 | C12-8-209 | 39,768 |
| VOCA Victims Assistance Grant (District Attorney) | 16.575 | C13-8-048 | 16,435 |
| | | | 123,781 |
| Equitable Sharing Program | 16.922 | GA-0580000 | 429,804 |
| **Total U.S. Department of Justice** | | | 636,041 |
| **U.S.DEPARTMENT OF TRANSPORTATION** | | | |
| Passed through the Georgia Department of Transportation: | | | |
| Formula Grants for Other than Urbanized Areas | 20.509 | T004694 | 70,847 |
| Formula Grants for Other than Urbanized Areas | 20.509 | T005055 | 155,354 |
| | | | 226,201 |
| Passed through the Georgia Department of Transportation: | | | |
| Highway Planning and Construction Grant | 20.205 | CSSTP-0009-00(316) | 2,536,419 |
| Highway Planning and Construction Grant | 20.205 | CSHPP-0007-00(526) | 32,102 |
| | | | 2,568,521 |
| Passed through the Georgia Department of Natural Resources: | | | |
| Recreational Trails Program Grant | 20.219 | NRT-10(19) | 52,700 |
| Total Highway Planning and Construction Grant Cluster | | | 2,621,221 |
| Passed through the Governor's Office of Highway Safety: | | | |
| Highway Enforcement Aggressive Traffic (H.E.A.T.) | 20.600 | GA-2014-58-00300 | 22,203 |
| Highway Enforcement Aggressive Traffic (H.E.A.T.) | 20.600 | GA-2015-58-00293 | 8,436 |
| | | | 30,639 |
| **Total U.S. Department of Transportation** | | | 2,878,061 |
| **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 | 13,951 |
| Special Programs for the Aging: Title III, Part C | 93.045 | 427-93-07070254-99 | 163,624 |
| Nutrition Services Incentive | 93.053 | 427-93-07070254-99 | 19,264 |
| Total Aging Cluster | | | 196,839 |
| Passed through the Legacy Link, Inc: | | | |
| Social Services Block Grant | 93.667 | 427-93-07070254-99 | 14,350 |
| Passed through the Deanna, Inc: | | | |
| Congregate Meal Transportation | 93.558 | 42700-362-23666 | 100,382 |
| **Total U.S. Department of Health and Human Services** | | | 311,571 |

(Continued)

# FORSYTH COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED DECEMBER 31, 2014

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Contract or Project Number | Total Expenditures |
|---|---|---|---|
| **U.S. DEPARTMENT OF DEFENSE** | | | |
| Payments in Lieu of Taxes - Flood Lands | 12.112 | 2013 | $ 190,124 |
| **Total U.S. Department of Defense** | | | 190,124 |
| **U.S. DEPARTMENT OF THE INTERIOR** | | | |
| Payments in Lieu of Taxes | 15.226 | 2014 | 48,190 |
| **Total U.S. Department of the Interior** | | | 48,190 |
| **U.S. DEPARTMENT OF HOMELAND SECURITY** | | | |
| Passed through Georgia Emergency Management Agency: | | | |
| Emergency Management Performance Grant | 97.042 | 2012-EP-00-0015 | 52,653 |
| Homeland Security Grant Program | 97.067 | OEM13-600SO1 | 3,873 |
| **Total U.S. Department of Homeland Security** | | | 56,526 |
| **Total Expenditures of Federal Awards** | | | $ 4,120,513 |

**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, 2014

### (1) Summary of Significant Accounting Policies

***Basis of Presentation and Accounting***

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the County to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

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, 2014

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### 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? | X yes ____ 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 |
|---|---|
| 16.922 | Equitable Sharing Program |
| 20.205 & 20.219 | Highway Planning and Construction Grant Cluster |

| | |
|---|---|
| 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, 2014

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### SECTION II
### FINANCIAL STATEMENT FINDINGS AND RESPONSES

**2014-001 Reporting of Capital Assets**

***Criteria:*** Internal controls should be in place to ensure that amounts reported for capital assets and related items are appropriate and properly valued in accordance with generally accepted accounting principles.

***Condition:*** Internal controls were not sufficient to detect misstatements in the County's financial statements as of and for the year ended December 31, 2014 with regard to capital assets.

***Context/Cause:*** During our testing, certain audit adjustments were proposed to correct the reporting of the County's capital asset balances. The nature of these adjustments is as follows:

- During our testing of capital assets in the Fleet Maintenance Fund, an audit adjustment of approximately $61,000 was required to properly report ending capital asset balances. This misstatement resulted from the County improperly expensing the asset as under the modified accrual accounting method, rather than reporting the capital outlay as an addition to capital assets.
- During our testing of capital assets in the Water and Sewer Fund, audit adjustments were required to adjust the Water and Sewer Fund's general ledger, which was overstated as compared to the subsidiary ledger. Adjustments of approximately $1,125,000 were required to properly record the Water and Sewer Fund's current year depreciation expense and related increase in accumulated depreciation as of December 31, 2014.
- During the testing of the governmental capital assets, an adjustment of approximately $1,614,000 was proposed to adjust the reported construction in progress balances in order to reconcile with the subsidiary ledger. The capital asset balances were overstated by not removing the assets.

***Effects:*** Total misstatements related to the reporting of capital asset balances for the fiscal year ended December 31, 2014 was $2,800,000.

***Recommendation:*** We recommend the County carefully review expenditures/expenses which are reported during the year as well as throughout the year-end close process to ensure the proper reporting of capital asset balances.

***Auditee's Response:*** We concur with the finding. We will implement policies and procedures to ensure proper reporting of capital assets.

## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

**2014-002 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 in accordance with generally accepted accounting principles.

***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, certain audit adjustments were required to properly report the County's property tax revenues and related balance sheet accounts. The calculations of the County's unearned property taxes and current year revenues required adjustment. The nature of these adjustments is as follows:

- In the General Fund, an adjustment of approximately $105,000 was required to correctly report the property tax revenues and related balance sheet accounts. The unearned revenues were overstated while current year revenues were understated.
- In the Fire Fund, an adjustment of approximately $101,000 was required to correctly report the property tax revenues and related balance sheet accounts. The unearned revenues were understated while current year revenues were overstated.
- In the Debt Service Fund, an adjustment of approximately $129,000 was required to correctly report the property tax revenues and related balance sheet accounts. The unearned revenues were understated while current year revenues were overstated.

***Effects:*** Audit adjustments totaling approximately $335,000 were required to properly report current year revenues and related assets 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 in accordance with generally accepted accounting principles.

## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

### 2014-003 Expenditures and Related Liabilities

***Criteria:*** Generally, expenditures should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows in accordance with generally accepted accounting principles.

***Condition:*** Material misstatements were detected in the reporting of the County's expenditures and related the related liabilities.

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

- The County's General Fund general ledger balance for the year-end accrued payroll was overstated as the prior year accrued payroll was not properly reversed during 2014. As such, the liability recorded by the County was over stated by approximately $419,000 and personnel expenditures were overstated for the year ended December 31, 2014.
- In the SPLOST Fund, account and retainage payable liabilities were understated by approximately $208,000 and required an adjustment to record the related costs incurred on the construction project.

***Effects:*** Total misstatements related to expenditures and related liability recognition were approximately $627,000 for the year ended December 31, 2014.

***Recommendation:*** We recommend the County carefully review all expenditures 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 expenditures and the related liabilities are properly recorded.

# FORSYTH COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS
## FOR THE YEAR ENDED DECEMBER 31, 2014

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### SECTION III
### FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

# FORSYTH COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS
## FOR THE YEAR ENDED DECEMBER 31, 2014

None reported