

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Prepared by the Forsyth County
Finance Department

For the year ended December 31, 2016

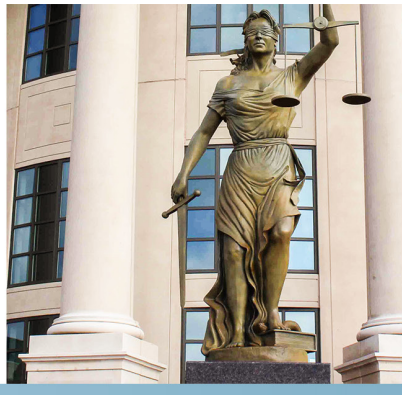
FORSYTH
COUNTY, GEORGIA



Prepared by the
Forsyth County
Finance Department

110 E. Main Street
Suite 255
Cumming, GA 30040

For the year ended
December 31, 2016



2016 COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FORSYTH COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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INTRODUCTORY SECTION

2016 COMPREHENSIVE
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Forsyth County Board of Commissioners

TODD LEVENT
CHAIRMAN

RICK SWOPE
VICE CHAIRMAN

LAURA SEMANSON
SECRETARY

RALPH J. AMOS
MEMBER

CINDY JONES MILLS
MEMBER

TIM R. MERRITT
INTERIM COUNTY MANAGER

June 21, 2017

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, 2016.

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, 2016, 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, 2016, 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 221,009 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, a legally separate Library, and a legally separate Public Facilities Authority, each of which are reported separately within the county's financial statements. Additional information on all four 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 Chief Financial Officer prepares a proposed line item operating budget and submits it to the Board of Commissioners. Public Hearings are conducted in the county to obtain taxpayer comments on the proposed budget. The Board of Commissioners is required to adopt the final budget on or before December 31 at an official commission meeting. Budgetary control is maintained at the department/office appropriation level. Budget amendments must be authorized by the Board of Commissioners through a budget resolution. The County Manager is authorized to transfer certain line item budgeted amounts within any department, under certain conditions. Expenditures that would increase total department/office appropriations require the approval of the Board of Commissioners.

LOCAL ECONOMY

Lake Sidney Lanier is located at the eastern edge of Forsyth County, and provides numerous recreational activities for approximately 8 million visitors annually. The development of Lake Lanier by the U.S. Army Corps of Engineers functions to improve flood control and provide hydroelectric power, which gives it the distinction of being one of the most utilized water recreation areas managed by the Corp. In addition to Lake Lanier, the construction of GA 400 expressway has had the greatest effect on the growth of Forsyth County. GA 400 provides a direct link to the City of Atlanta.

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

The U.S. Census Bureau has named Forsyth County as the 11th fastest growing county in the nation as well as the fastest growing county in Georgia for 2016 estimating the county's population expanded by 4.0% between 2015 and 2016. In all, Forsyth added 8,571 new residents during that period. By 2040, Forsyth County's population is projected to increase by 110%. Forsyth County employs more than 80,998 within its boundaries with approximately 7,100 licensed businesses. Existing companies are continuing to expand within our community, serving as a large source for new jobs. As of December 2016, the county's unemployment rate was 4.0%, which is lower than the State of Georgia (5.4%) and the United States (4.7%).

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 10 years over 70 international companies have moved to the county, with 20 having national or regional headquarters. The medical and life science industries remain the county's fastest growing industry sectors. Northside Hospital-Forsyth is 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 46,300 students, is the seventh largest school system in Georgia, operating 37 schools within the county. The public school system is Forsyth County's largest employer with over 4,600 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 when borrowing and realize monetary savings on bonds.
- Beginning in March 2016, the Forsyth County Department of Planning & Community Development began the course of updating the County's Comprehensive Plan through a process named *Foster Forsyth*. The year-long effort included a broad public outreach component and the appointment of two committees to assist in the formulation of a community vision and strategies to address future land use. The Board of Commissioners considered transmittal of the plan for state and regional review in early 2017 before final adoption.
- On November 4, 2014, Forsyth County voters approved a general obligation bond up to $200 million to finance a variety of transportation projects. The County issued the initial $100 million in bonds on April 30, 2015 and sent $34.5 million to the Georgia Department of Transportation for the GA 400 road widening (from 4 lanes to 6 lanes) partnership project. Construction is continuing with the first northbound eight mile section opened in October 2016.
- The new state-of-the-art Shakerag Water Reclamation Facility opened July 29, 2016. The new plant, located in the lower southeast corner of the county, is the first of the county's seven WRF sites to return reclaimed water to the Chattahoochee River.

Improved Service Delivery

- The Forsyth County Fire Department received an improved rating – from a 5 to a 3 – from the Insurance Services Office (ISO) in 2015, resulting in potential insurance savings for residents and businesses.
- Construction began for the replacement of Fire Station #8 (four stalls) on Keith Bridge Road and the new John's Creek area Fire Station #6. The additional station will bring the county total to 13 stations and provide increased coverage for the heavily populated south county area.
- In 2016, there were more than 667,000 visits to Forsyth County Public Library branches, more than 2.5 million items checked out, more than 230,000 information questions answered by staff, and more than 90,000 patrons attending library programs.
- In November 2016, ground was broken for the expansion of the Sharon Forks Library in southeast Forsyth County. The expansion will add about 18,000 square feet, almost doubling the building's size.

Parks, Recreation and Green Space Bond Dollars at Work

- The next extension of the Big Creek Greenway in Forsyth County was opened for use in August 2016. Phase 4 of the Big Creek Greenway consists 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 trailhead, 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.

- The new Matt Community Park at Settingdown Creek opened Phase I on August 22. The facilities include four artificial turf rectangular sports fields, four pavilions, a playground, two concession areas, and restrooms. Funding came from the Parks, Recreation and Green Space Bond and parks impact fees.
- Ground was broken in March for the new Lanierland Park in northeast Forsyth County, which will feature four artificial turf rectangular sports fields, four picnic pavilions, playground, and two restroom and concession facilities. Funding is provided from the Parks, Recreation and Green Space Bond and parks impact fees.
- Sawnee Mountain Preserve opened Phase III on January 29. It features over six miles of hiking trails, two picnic pavilions, a rubberized surface playground, restrooms and additional parking.

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 2015 Annual Update of the Impact Fee Program adopted by the Commission in October 2016. 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 2016 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, 2015. 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, 2016. This was the fourth 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,

Tim Merritt
Interim County Manager

David Gruen
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Forsyth County

Georgia

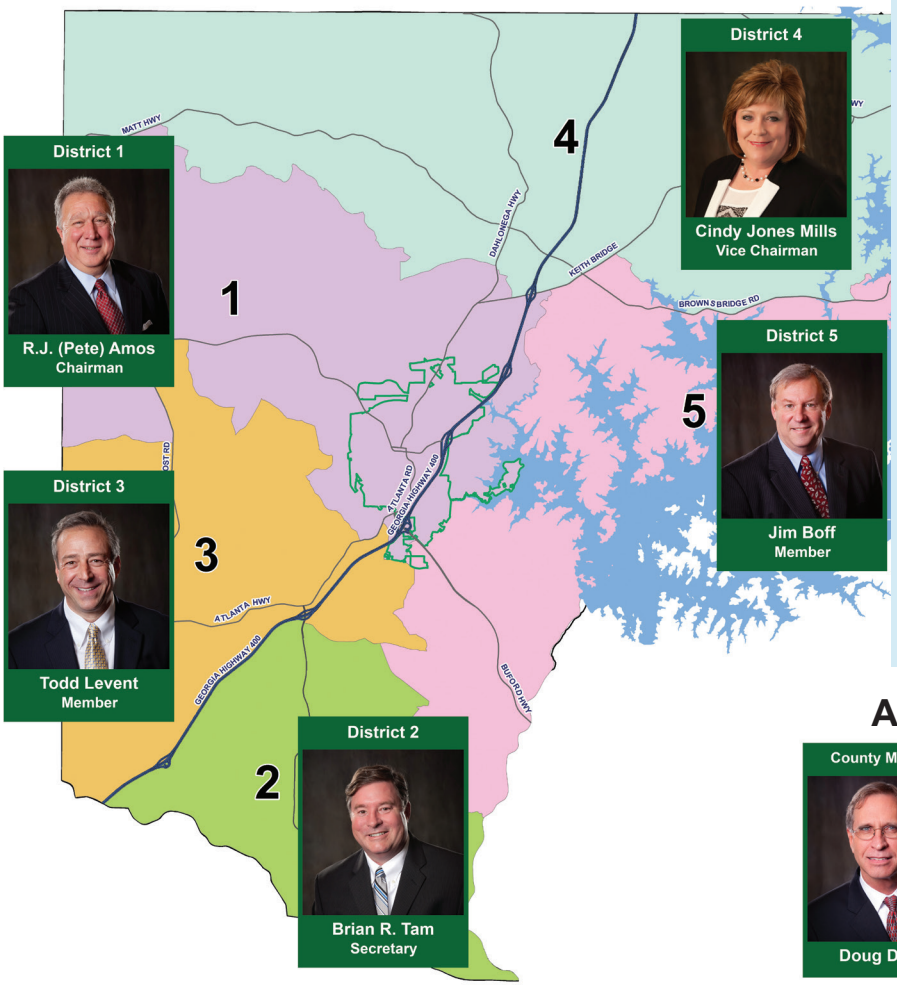
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Officials of Forsyth County

Board of Commissioners



Judicial and Other Elected Officials

Jeffrey S. Bagley	Superior Court Chief Judge
David L. Dickinson	Superior Court Judge
Philip 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
William F. Finch	Solicitor-General
Greg G. Allen	Clerk of Court
Matthew C. Ledbetter	Tax Commissioner
Mary Beth Pais	Coroner
Duane Piper	Sheriff

Administration

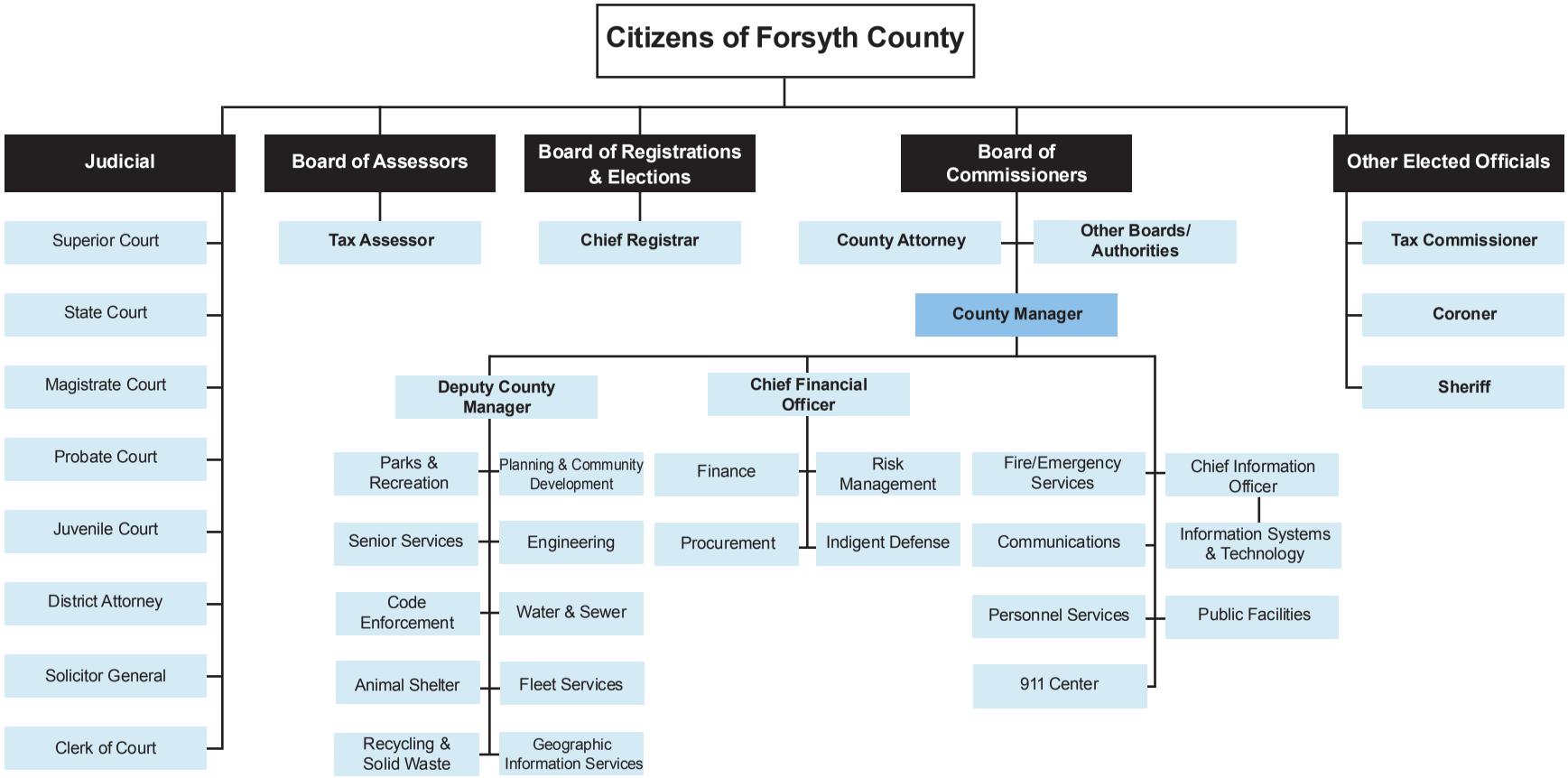


Finance



County Department Heads

Danny Bowman	Fire and Emergency Management
Connie Brooker	Indigent Defense
Tom Brown	Planning & Community Development
Pat Carson	Personnel Services
Charity Clark	Risk Management
John Cunard	Engineering
Steve Zaring	Animal Shelter
Jodi Gardner	Communications
Pat Giordano	E911 Center
Brandon Kenney	Information Systems & Technology
Avery Gravitt	Fleet Services
John Kilgore	Geographic Information Services
Mary Kirkpatrick	Board of Assessors
Donna Kukarola	Procurement
Barbara Luth	Voter Registrations and Elections
Anna Lyle	Library
Tim Perkins	Water and Sewer
Jim Pryor	Parks & Recreation
Ruthie Brew	Senior Services
David Thornton	Public Facilities
Rebecca Whitmire	Finance
Tammy Wright	Recycling & Solid Waste
Steve Zaring	Code Enforcement



Organizational Chart

FINANCIAL SECTION

2016 COMPREHENSIVE
ANNUAL FINANCIAL REPORT

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, 2016, and the related notes to the financial statements, which collectively comprise the County'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 5 percent, 10 percent, and 22 percent, respectively, of the assets, overall deficit 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 16), the budgetary comparison information for the General Fund and the Fire District Fund (on pages 75 through 77), the schedule 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 the County's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the introductory and 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 21, 2017 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 21, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

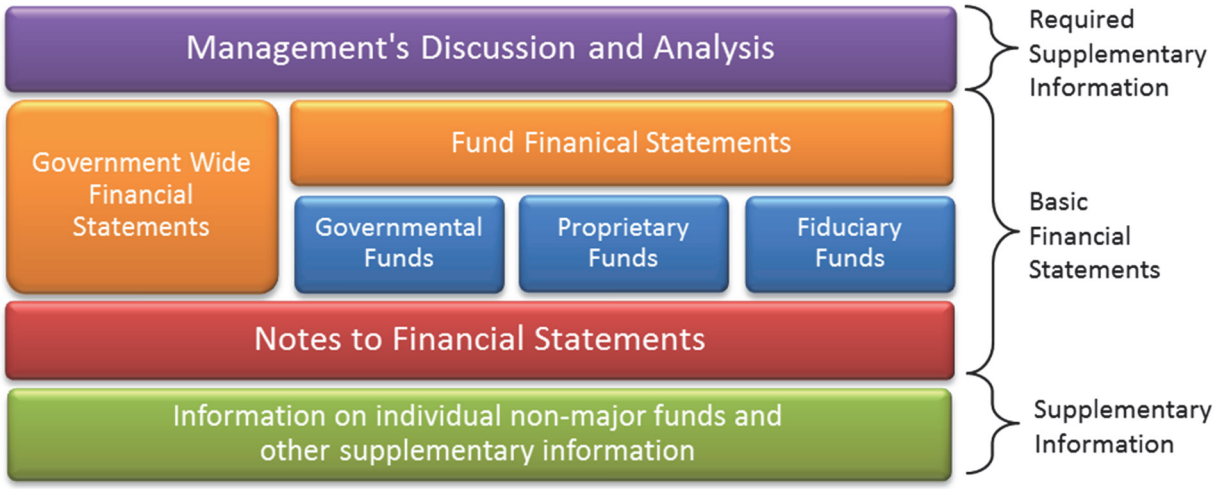
Our discussion and analysis of Forsyth County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the transmittal letter on page v and the County's financial statements, which begin on page 17.

GOVERNMENT – WIDE FINANCIAL HIGHLIGHTS

- Forsyth County's primary government assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $1.48 billion (net position) at December 31, 2016. Of this amount $1.03 billion is governmental activities and $453.9 million is business-type activities.
- The combined revenue total for the County is $322.8 million, a 9.07% increase from 2015. Of the combined total, governmental activities is $228.8 million and business-type activities is $94.0 million.
- The combined expense total for the County is $226.8 million, a 6.32% decrease from 2015. Of the combined total governmental activities is at $181.1 million and business-type activities is $45.7 million.
- At December 31, 2016, the County's governmental funds reported combined ending fund balance is $186.0 million, a decrease of $39.8 million (17.62%) from the 2015 fund balance. The unassigned fund balance for various governmental funds is $51.5 million.
- The County's total debt decreased by $26.2 million (6.48%) from fiscal year 2015, primarily due to the County paying off the remaining $22.3 million of Sales Tax bonds on the new Courthouse and Jail.

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 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, Library, and Public Facilities Authority 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, 2016, the County maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, fire fund, SPLOST fund, transportation bond fund, and debt service 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, one capital projects fund 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 2016, 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 22-24 of this report.

Fiduciary funds*.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Forsyth County maintains six fiduciary funds called *agency funds* for Tax Commissioner, Sheriff, Clerk of Court, Probate Court, Magistrate Court, and Juvenile Court. The County also maintains the Pension Trust Fund fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 25 and 26 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 and other post-employment benefits to its employees, and employer pension contributions. Combining and individual fund statements and schedules can be found on pages 83-103 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 $1.48 billion at the close of the most recent fiscal year. This is an increase of $96 million or 6.93% from fiscal year 2015.

FORSYTH COUNTY, GEORGIA'S NET POSITION
December 31, 2016
($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
ASSETS				(Restated)		(Restated)
Current and other assets	$ 301,048	$ 330,592	$ 158,593	$ 170,791	$ 459,641	$ 501,383
Capital assets (net of depreciation)	1,067,794	1,001,568	541,048	484,891	1,608,842	1,486,458
TOTAL ASSETS	1,368,842	1,332,160	699,641	655,682	2,068,483	1,987,842
DEFERRED OUTFLOWS OF RESOURCES	10,497	11,948	7,056	7,598	17,553	19,546
LIABILITIES						
Other liabilities	26,714	22,344	42,915	40,211	69,629	62,555
Long-term liabilities outstanding	244,130	267,066	209,929	216,825	454,059	483,891
TOTAL LIABILITIES	270,844	289,410	252,843	257,036	523,688	546,446
DEFERRED INFLOWS OF RESOURCES	81,772	76,311	-	-	81,772	76,311
NET POSITION						
Net investment in capital assets	961,421	868,626	358,440	329,049	1,319,861	1,197,675
Restricted	34,665	77,815	3,939	3,859	38,604	81,674
Unrestricted	30,637	31,945	91,475	73,336	122,112	105,281
TOTAL NET POSITION	$ 1,026,723	$ 978,386	$ 453,854	$ 406,244	$ 1,480,577	$ 1,384,630

Source: Statement of Net Position

The largest component of the County's net position, $1.32 billion (89.14%) at December 31, 2016, 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, $38.6 million (2.61%), which represents resources that are subject to external restrictions on how they may be used. The final component is unrestricted net position, $122.1 million (8.25%), 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 $48.3 million (4.94%), 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 $47.6 million (11.72%). The county's overall net position increased indicating that the County's financial position has continued to grow along with the increases in its population and economy.

Changes in Net Position. Governmental and business-type activities increased the County's net position by $95.9 million by the end December 31, 2016.

The following table gives a comparison for the changes in net position in governmental and business type activities for fiscal year 2015 and 2016.

FORSYTH COUNTY, GEORGIA'S CHANGES IN NET POSITION

Year Ended December 31, 2016

($ In thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues:						
Charges for services	$ 33,936	$ 30,772	$ 48,023	$ 41,663	$ 81,959	$ 72,435
Operating grants and contributions	2,190	2,694			2,190	2,694
Capital grants and contributions	19,743	23,119	45,429	38,806	65,172	61,925
General Revenues:			-	-	-	-
Property taxes	81,779	70,365	-	-	81,779	70,365
Sales taxes	66,721	64,061	-	-	66,721	64,061
Title ad valorem tax	7,994	8,947	-	-	7,994	8,947
Insurance premium tax	9,499	8,926	-	-	9,499	8,926
Other taxes	5,034	4,826	-	-	5,034	4,826
Unrestricted investment earnings	1,091	787	518	179	1,609	966
Intergovernmental revenue, not restricted for a specific programs		-	32	-	32	-
Other	786	723	-	53	786	776
TOTAL REVENUES	$ 228,773	$ 215,220	$ 94,002	$ 80,701	$ 322,775	$ 295,921
EXPENSES						
General Government	27,993	27,515	-	-	27,993	27,515
Judicial	14,827	14,053	-	-	14,827	14,053
Public Safety	75,028	67,785	-	-	75,028	67,785
Public Works	30,155	58,196	-	-	30,155	58,196
Health and Welfare	3,128	2,756	-	-	3,128	2,756
Culture and Recreation	17,268	16,725	-	-	17,268	16,725
Housing and Development	5,978	5,189	-	-	5,978	5,189
Interest	6,792	8,136	-	-	6,792	8,136
Solid Waste Disposal Facility	-	-	995	875	995	875
Water and Sewer	-	-	44,664	40,898	44,664	40,898
TOTAL EXPENSES	181,169	200,355	45,659	41,773	226,828	242,128
Increase in net position before transfers	47,604	14,865	48,343	38,928	95,947	53,793
Transfers	733	500	(733)	(500)	-	-
Increase in net position	48,337	15,365	47,610	38,428	95,947	53,793
Net position, beginning of year	978,386	963,021	406,244	369,980	1,384,630	1,333,001
Prior Period Adjustments	-	-	-	(2,164)	-	(2,164)
Net position, end of year	$ 1,026,723	$ 978,386	$ 453,854	$ 406,244	$ 1,480,577	$ 1,384,630

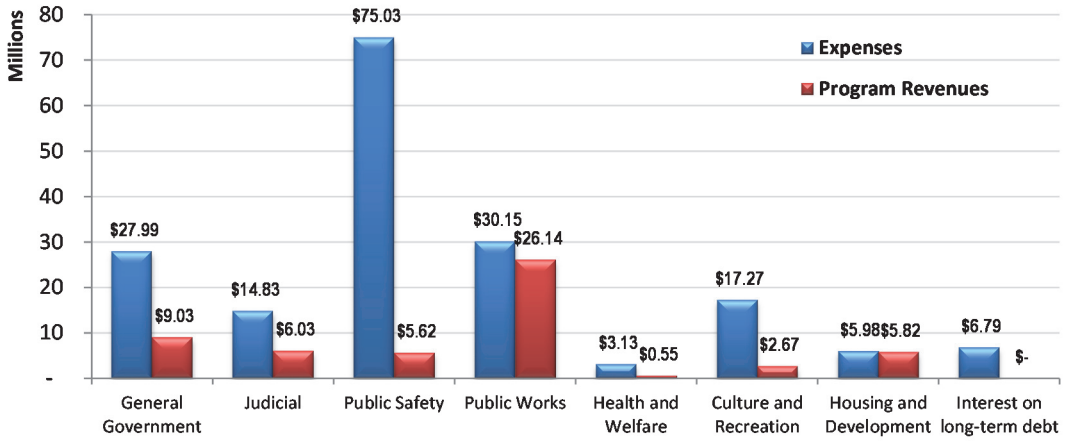
Source: Statement of Activities

Governmental Activities. Governmental activities increased the County's net position by $48.3 million thereby accounting for 50.38% of the total growth in net position. Key elements of this increase are as follows:

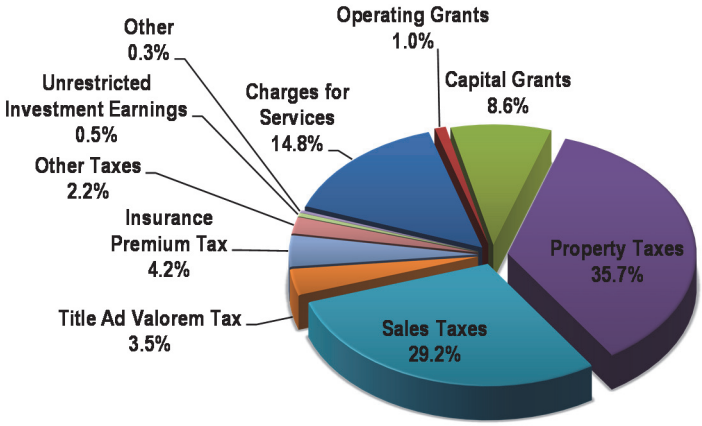
- The County's governmental activities relied on the following revenue sources in 2016: $33.9 million in charges for services, $21.9 million for grants and contributions, $171.1 million in taxes, $1.1 million in investment earning and $0.8 million in other revenue. Total program and general revenue for 2016 is $228.8 million.
- Total revenues for governmental activities increased by $13.6 million or 6.30% from fiscal year 2015. Property taxes totaling $81.8 million is the largest revenue source for the county. Operating grants and contributions decreased by $0.5 million, while capital grants and contributions decreased by $3.4 million. Sales tax revenues combined with the Title Ad Valorem Tax increased by $1.7 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 2016 decreased by $19.2 million or 9.58% from 2015. The largest decrease was $28.0 million in public works primarily related to a $34.5 million payment in 2015 to the Georgia Department of Transportation (GDOT) out of the proceeds of the County's General Obligation Bonds, Series 2015A. The payment to GDOT represents the County's share of the funding for the State Route 400 Widening Project.

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

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITES



REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



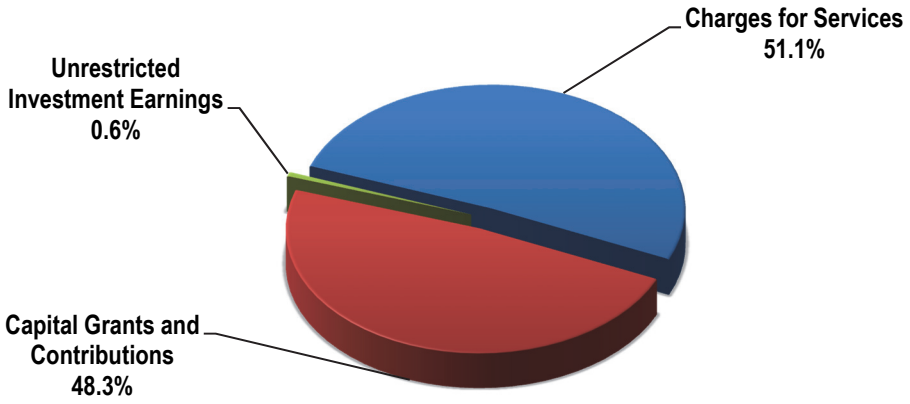
Business-type activities. Business-type activities increased the County's net position by $47.6 million, accounting for 49.62% of the total growth in net position. A key element of this increase is Water and Sewer Authority program revenues increase of $12.7 million (16.26%), due to an increase in 2016 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.

EXPENSES AND PROGRAM REVENUES - BUSINESS-TYPE ACTIVITES



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

GOVERNMENTAL FUNDS
FUND BALANCE COMPARISON
($ in thousands)

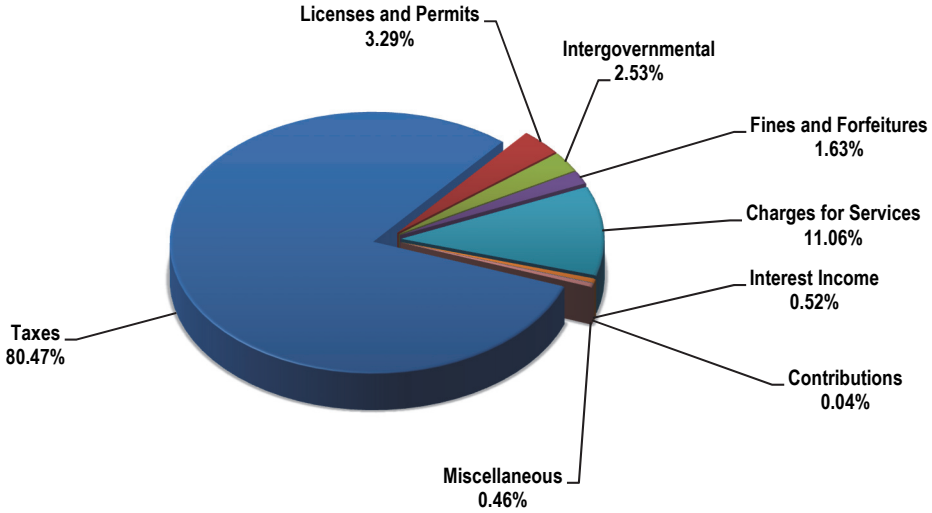
	2016	2015	Inc/Dec	% Inc/Dec
General Fund	$ 54,186	$ 53,060	$ 1,126	2.12%
Fire District	5,269	5,368	(99)	-1.84%
SPLOST	(1,331)	20,185	(21,516)	-106.59%
Transportation Bond	59,249	63,865	(4,616)	-7.23%
Debt Service	15,735	15,569	166	1.07%
Nonmajor Governmental Funds	52,905	67,758	(14,853)	-21.92%
Fund Balance	**$ 186,013**	**$ 225,805**	**$ (39,792)**	**-17.62%**

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

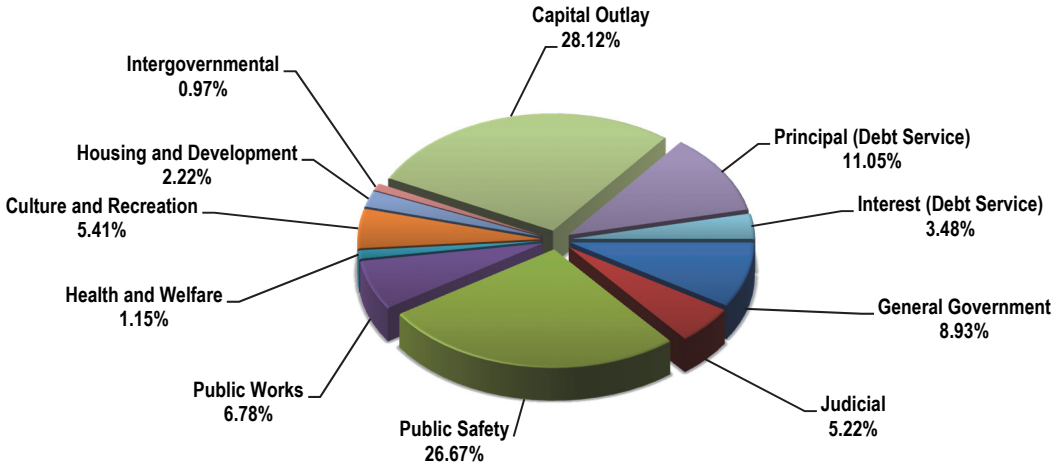
At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $186.0 million, a decrease of $39.8 million in comparison with the fund balance for 2015. Approximately 27.70% of this total amount, $51.5 million, constitutes unassigned which is available 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 $52.9 million, which represents 97.56% of total general fund balance. The fund balance increased by $1.1 million during the current fiscal year. This increase is due to keeping the total expenditures below the level of revenue collections.

REVENUES BY SOURCE - GOVERNMENTAL FUNDS



EXPENDITURES BY FUNCTION - GOVERNMENTAL FUNDS



The fund balance of the County's fire fund decreased by $0.1 million during the current fiscal year. This decrease is due to the increase in operating costs for new and replacement Fire Stations.

The fund balance of the County's SPLOST fund decreased by $21.5 million during the current fiscal year. This is due to paying off the bonds that financed the construction of the jail/courthouse project.

The fund balance of the County's debt service fund increased by $0.2 million during the current fiscal year. The debt service fund has an ending fund balance of $15.7 million. This change is due to the scheduled payments of principal and interest on the County's general obligation bonds for which these funds are restricted.

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 $45.7 million, an increase of $6.1 million from 2015. This is due to an increase in water and sewer sales revenues. The department's water customer count grew by 2,468, or 4.49%, new connections to a year-end total of 57,419 and sewer customer count increased by 1,935, or 7.11%, to a year-end total of 29,136. Total operating expenses were $39.5 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Forsyth County's government-wide investment in capital assets before debt at December 31, 2016 is $1.609 billion. This investment in capital assets includes land, buildings, improvements, roads, bridges, machinery and equipment, park facilities and vehicles. Government-wide net additions in 2016 are $102.9 million with $66.8 million in government-type activities and $36.2 million net increase in business-type activities. Net investment in capital assets is $1.320 billion with $961.4 million for governmental activities and $358.4 million for business-type activities. This is a 10.20% increase from the previous fiscal year.

FORSYTH COUNTY, GEORGIA'S CAPITAL ASSETS

(in the thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
Land and improvements	$ 437,764	$ 426,423	$ 29,875	$ 28,945	$ 467,639	$ 455,368
Infrastructure land improvements	167,456	163,801	-	-	167,456	163,801
Construction in progress	66,201	36,526	64,745	48,094	130,946	84,620
Buildings and improvements	202,602	197,028	14,406	14,771	217,008	211,799
Machinery and equipment	29,127	17,769	3,412	3,485	32,539	21,254
Vehicles	10,768	9,788	1,268	1,181	12,036	10,969
Sewer Capacity Rights	-	-	14,741	16,069	14,741	16,069
Infrastructure	153,876	150,233	412,601	392,346	566,477	542,579
Total	**$1,067,794**	**$1,001,568**	**$ 541,048**	**$ 504,891**	**$1,608,842**	**$1,506,459**

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

- The new Matt Community Park at Settingdown Creek opened Phase I on August 22. The facilities include four artificial turf rectangular sports fields, two pavilions, a playground, concession area, and restrooms.
- Sawnee Mountain Preserve opened Phase III on January 29. It features over six miles of hiking trails, two picnic pavilions, a rubberized surface playground, restrooms and additional parking.
- Ground was broken on March 18 for the new Lanierland Park in northeast Forsyth County, which will feature four artificial turf rectangular sports fields, two picnic pavilions, and a playground, with a restroom and concession facility.
- Construction began on two new fire stations. Station #6 in on a new site in the southern portion of the county bringing the total coverage to 13 stations providing fire, rescue, and EMS protection for the public. Station #8 in the northern part of the county replaces the old, smaller facility built by volunteers in 1984.
- Phase #4 of the Big Creek Greenway from the Bethelview Road trailhead to Kelly Mill Road opened for use in August. This additional 2.8 miles brings the total trail length to about 9.6 miles.
- The first portion of the State Road 400 widening project opened an 8 mile northbound section from McFarland parkway to just north of Highway 20 in October.
- On November 14 ground was broken for the expansion of the Sharon Forks Library in southeast Forsyth County. The expansion will add about 18,000 square feet, almost doubling the building's size.
- The new state-of-the-art Shakerag Water Reclamation Facility opened July 29. The new plant, located in the lower southeast corner of the county, is the first of the county's seven WRF sites to return reclaimed water to the Chattahoochee River.

Additional information on the County's capital assets can be found in Note 6, on pages 49-51.

Long Term Debt. At the end of the current fiscal year, the County has total bonded debt outstanding in the amount of $410.8 million. Of this amount $209.7 million consists of general obligation bonds backed by the full faith and credit of the government and $201.1 million represents bonds secured by specified revenue sources (i.e., revenue bonds). The County's total debt decreased by $26.2 million primarily due to the County's paying off the bonds related to the Courthouse and Jail construction project.

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, pages 53-62.

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, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
General Government	$ 26,594,150	$ 28,677,501	$ 22,764,026	$ 5,913,475
Judicial	12,309,900	13,191,057	12,648,022	543,035
Public Safety	40,445,200	41,917,576	43,624,155	(1,706,579)
Public Works	200,000	200,000	12,548	187,452
Health and Welfare	1,882,000	1,909,101	1,857,993	51,108
Culture and Recreation	13,637,000	14,014,912	13,880,902	134,010
Housing and Development	5,496,400	6,501,084	5,093,654	1,407,430
Debt Service	-	42,982	42,982	-
Total Expenditures	**$ 100,564,650** [1]	**$ 106,454,213**	**$ 99,924,282**	**$ 6,529,931**

(1) The adopted General Fund expenditure budget included transfers to other funds ($5,235,200) and reserves ($4,141,600) 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 $107.2 million in the original budget increased to $109.6 million at year end, due to an increase in sales tax and charges for services related revenues by $2.4 million. Total revenues ended at $113.7 million, $4.1 million above the final budget. The original adopted expenditure budget of $100.6 million was amended to $106.4 million.

However, by year end actual expenditures for the general fund were $99.9 million, $6.5 million below the final amended budget. Significant variances to the final budget and actual are summarized below:

- General Government $5.9 million under final budget due to significant savings on technology maintenance contract costs and reduced needs for facility renovations.
- Public Safety $1.7 million over final budget due to final personnel costs in the County Sheriff's office
- Judicial $0.5 million under final budget due to a decrease in the personnel costs.

Forsyth County's general fund 2016 final budget is $106.5 million, an increase of 7.01% from the 2015 budget.

ECONOMIC FACTORS AND THE 2017 BUDGET

Forsyth County's 2017 budget is a reflection of the financial position of the County in 2016. During 2016, the County experienced an increase in revenues and amended the revenue and expenditure budgets accordingly.

- The unemployment rate in Forsyth County is 4.5%, up slightly from 2015. This compares favorably to the State of Georgia's unemployment rate at 5.4%, and the national unemployment rate of 4.7% at the end of 2016.
- LOST and SPLOST revenues increased by $2.5 million, a 4.0% increase from fiscal year 2015. An increase is also projected for the 2017 Budget. The County continues to monitor collections on a monthly basis.
- The County's total 2016 millage rate for Maintenance and Operations, Fire and Debt Service remained at 8.036 mills. The 2017 budget process focused on balancing the budget while not increasing the tax rates.

- 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 2017.

REQUESTS FOR INFORMATION

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2016

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Library System	Public Facilities Authority
Cash and cash equivalents	$ 158,649,825	$ 95,747,714	$ 254,397,539	$ 1,139,100	$ 1,964,384	$ -
Investments	46,276,304	32,029,956	78,306,260	502,238	-	-
Receivables (net of allowance for uncollectibles)	1,722,695	5,194,066	6,916,761	15,774	60,124	-
Taxes receivable	7,274,891	-	7,274,891	-	-	-
Intergovernmental receivables	4,654,114	-	4,654,114	14,585	34,344	25,813,380
Prepaid items	592,057	9,168	601,225	-	118,464	-
Inventories	979,816	1,142,325	2,122,141	-	-	-
Internal balances	(762,971)	762,971	-	-	-	-
Other assets	2,027,670	-	2,027,670	-	-	-
Restricted assets:						-
Restricted cash and cash equivalents	72,147,425	23,618,363	95,765,788	-	-	-
Investments	7,486,492	-	7,486,492	-	-	-
Note receivable	-	88,757	88,757	-	-	-
Capital assets, nondepreciable	671,421,803	102,214,378	773,636,181	-	337,717	-
Capital assets, depreciable, net of accumulated depreciation	396,371,937	438,833,566	835,205,503	13,393	1,776,324	-
Total assets	1,368,842,058	699,641,264	2,068,483,322	1,685,090	4,291,357	25,813,380
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	9,178,440	7,056,277	16,234,717	-	-	-
Pension related items	1,319,069	-	1,319,069	167,788	604,399	-
Total deferred outflows of resources	10,497,509	7,056,277	17,553,786	167,788	604,399	-
LIABILITIES						
Accounts payable	21,202,599	6,893,206	28,095,805	15,226	172,437	-
Accrued liabilities	5,511,840	2,234,585	7,746,425	-	141,658	493,380
Customer deposits payable	-	3,937,062	3,937,062	-	-	-
Unearned revenue	-	29,849,858	29,849,858	-	-	-
Noncurrent liabilities due within one year						
Capital lease payable	2,607,754	-	2,607,754	-	-	-
Compensated absences payable	5,718,546	493,332	6,211,878	39,767	223,889	-
Note payable	-	272,887	272,887	-	-	-
Claims payable	4,375,933	-	4,375,933	-	-	-
Landfill closure and postclosure	-	114,492	114,492	-	-	-
Bonds payable	7,055,000	5,240,000	12,295,000	-	-	1,175,000
Noncurrent liabilities due in more than one year						
Capital lease payable	5,343,932	-	5,343,932	-	-	-
Compensated absences payable	1,429,636	123,332	1,552,968	22,369	-	-
Note payable	-	6,161,419	6,161,419	-	-	-
Claims payable	950,469	-	950,469	-	-	-
Net OPEB obligation	1,300,314	-	1,300,314	-	-	-
Net pension liability	4,953,708	-	4,953,708	1,244,711	3,812,700	-
Landfill closure and postclosure	-	1,602,897	1,602,897	-	-	-
Certificates of participation	7,777,000	-	7,777,000	-	-	-
Bonds payable	202,617,364	195,920,414	398,537,778	-	-	29,118,992
Total liabilities	270,844,095	252,843,484	523,687,579	1,322,073	4,350,684	30,787,372
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues - property taxes	79,744,625	-	79,744,625	-	-	-
Accumulated increase in fair value of hedging derivative	2,027,670	-	2,027,670	-	-	-
Pension related items	-	-	-	99,753	355,139	-
Total deferred inflows of resources	81,772,295	-	81,772,295	99,753	355,139	-
NET POSITION						
Net investment in capital assets	961,420,793	358,439,680	1,319,860,473	13,393	2,114,041	-
Restricted for:						
Crime victims' assistance	26,710	-	26,710	-	-	-
Fire protection services	5,413,616	-	5,413,616	-	-	-
Law enforcement activities	1,488,154	-	1,488,154	-	-	-
Law library operations	67,354	-	67,354			
Emergency 911 services	1,582,434	-	1,582,434	-	-	-
Health and welfare	-	-	-	593,371	-	-
Debt service	15,823,103	3,939,275	19,762,378	-	-	-
Capital projects	10,264,326	-	10,264,326	-	265,208	-
Unrestricted	30,636,687	91,475,102	122,111,789	(175,712)	(2,189,316)	(4,973,992)
Total net position	$ 1,026,723,177	$ 453,854,057	$ 1,480,577,234	$ 431,052	$ 189,933	$ (4,973,992)

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

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	$ 27,993,426	$ 8,902,965	$ 130,174	$ -
Judicial	14,827,165	5,126,756	905,641	-
Public safety	75,028,182	4,966,904	657,286	-
Public works	30,154,901	6,374,878	19,356	19,742,929
Health and welfare	3,128,100	73,792	477,549	-
Cuture and recreation	17,267,702	2,668,625	-	-
Housing and development	5,977,463	5,821,855	-	-
Interest on long-term debt	6,792,266	-	-	-
Total governmental activities	181,169,205	33,935,775	2,190,006	19,742,929
Business-type activities:				
Water and sewer	44,663,975	45,703,537	-	45,429,304
Solid waste	994,863	2,319,423	-	-
Total business-type activities	45,658,838	48,022,960	-	45,429,304
Total primary government	$ 226,828,043	$ 81,958,735	$ 2,190,006	$ 65,172,233
Component units:				
Health Department	$ 1,506,980	$ 941,167	$ 847,548	$ -
Library System	6,262,977	242,864	258,661	337,380
Public Facilities Authority	5,467,372	-	-	-
Total component units	$ 13,237,329	$ 1,184,031	$ 1,106,209	$ 337,380
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	Public Facilities Authority
$ (18,960,287)	$ -	$ (18,960,287)	$ -	$ -	$ -
(8,794,768)	-	(8,794,768)	-	-	-
(69,403,992)	-	(69,403,992)	-	-	-
(4,017,738)	-	(4,017,738)	-	-	-
(2,576,759)	-	(2,576,759)	-	-	-
(14,599,077)	-	(14,599,077)	-	-	-
(155,608)	-	(155,608)	-	-	-
(6,792,266)	-	(6,792,266)	-	-	-
(125,300,495)	-	(125,300,495)	-	-	-
-	46,468,866	46,468,866			
-	1,324,560	1,324,560	-	-	-
-	47,793,426	47,793,426	-	-	-
$ (125,300,495)	$ 47,793,426	$ (77,507,069)	$ -	$ -	$ -
$ -	$ -	$ -	$ 281,735	$ -	$ -
-	-	-	-	(5,424,072)	-
-	-	-	-	-	(5,467,372)
$ -	$ -	$ -	$ 281,735	$ (5,424,072)	$ (5,467,372)
$ 81,779,116	$ -	$ 81,779,116	$ -	$ -	$ -
66,721,336	-	66,721,336	-	-	-
7,993,965	-	7,993,965	-	-	-
9,498,520	-	9,498,520	-	-	-
2,929,042	-	2,929,042	-	-	-
2,105,723	-	2,105,723	-	-	-
1,090,575	517,910	1,608,485	-	765	493,380
-	31,259	31,259	-	5,272,941	-
786,355	-	786,355	116,985	-	-
732,835	(732,835)	-	-	-	-
173,637,467	(183,666)	173,453,801	116,985	5,273,706	493,380
48,336,972	47,609,760	95,946,732	398,720	(150,366)	(4,973,992)
978,386,205	406,244,297	1,384,630,502	32,332	340,299	-
$ 1,026,723,177	$ 453,854,057	$ 1,480,577,234	$ 431,052	$ 189,933	$ (4,973,992)

FORSYTH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

ASSETS	General	Fire District	SPLOST	Transportation Bond	Debt Service	Nonmajor Governmental Funds	Total
Cash and cash equivalents	$ 50,545,420	$ 20,475,877	$ 6,430,674	$ -	$ 30,444,218	$ 43,146,504	$ 151,042,693
Investments	40,842,675	3,081,194	-	-	-	-	43,923,869
Accounts receivable	1,010,533	3,767	-	-	-	686,297	1,700,597
Taxes receivable	2,203,404	875,753	3,522,291	-	634,317	39,126	7,274,891
Intergovernmental receivables	2,995,542	-	-	-	-	1,658,572	4,654,114
Due from other funds	4,974,428	-	963,184	-	-	-	5,937,612
Inventories	416,735	322,775	-	-	-	-	739,510
Prepaid items	180,386	15,140	-	-	-	55,163	250,689
Restricted assets:							
Cash	-	-	-	62,077,555	-	10,069,870	72,147,425
Investments	-	-	-	-	-	7,486,492	7,486,492
Total assets	$ 103,169,123	$ 24,774,506	$ 10,916,149	$ 62,077,555	$ 31,078,535	$ 63,142,024	$ 295,157,892
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 1,602,294	$ 119,852	$ 9,033,455	$ 2,828,655	$ -	$ 7,389,578	$ 20,973,834
Other accrued liabilities	1,652,224	-	-	-	-	-	1,652,224
Due to other funds	-	-	3,213,696	-	-	2,723,916	5,937,612
Total liabilities	3,254,518	119,852	12,247,151	2,828,655	-	10,113,494	28,563,670
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	479,789	144,924	-	-	88,123	-	712,836
Unavailable revenue - intergovernmental	-	-	-	-	-	123,413	123,413
Deferred revenue - property taxes	45,248,155	19,241,038	-	-	15,255,432	-	79,744,625
Total deferred inflows of resources	45,727,944	19,385,962	-	-	15,343,555	123,413	80,580,874
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaids	180,386	15,140	-	-	-	55,163	250,689
Inventories	416,735	322,775	-	-	-	-	739,510
Restricted:							
Crime victims' assistance	-	-	-	-	-	26,710	26,710
Fire protection services	-	4,930,777	-	-	-	-	4,930,777
Law enforcement activities	-	-	-	-	-	1,488,154	1,488,154
Law library operations	-	-	-	-	-	67,354	67,354
Emergency 911 services	-	-	-	-	-	1,582,434	1,582,434
Capital projects	60,000	-	-	59,248,900	-	26,334,683	85,643,583
Debt service	-	-	-	-	15,734,980	-	15,734,980
Committed:							
Tree replacement	94,533	-	-	-	-	-	94,533
Assigned:							
Use of reserves in subsequent budget	307,506	-	-	-	-	-	307,506
Professional services	75,927	-	-	-	-	-	75,927
Capital projects	179,447	-	-	-	-	23,350,619	23,530,066
Supplies and materials	7,222	-	-	-	-	-	7,222
Unassigned	52,864,905	-	(1,331,002)	-	-	-	51,533,903
Total fund balances	54,186,661	5,268,692	(1,331,002)	59,248,900	15,734,980	52,905,117	186,013,348
Total liabilities, deferred inflows of resources and fund balances	$ 103,169,123	$ 24,774,506	$ 10,916,149	$ 62,077,555	$ 31,078,535	$ 63,142,024	

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.	1,067,478,634
Internal service funds are used by the County to charge cost to other funds. The assets and liabilities are included in the governmental activities.	4,479,776
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.	836,249
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(228,450,191)
The net pension liability and deferred outflows of resources related to the County's defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(3,634,639)
Net position of governmental activities	$ 1,026,723,177

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, 2016

	General	Fire Distirct	SPLOST	Transportation Bond	Debt Service	Nonmajor Governmental Funds	Total
Revenues:							
Taxes	$ 90,060,382	$ 19,940,090	$ 35,740,488	$ -	$ 15,039,471	$ 10,096,669	$ 170,877,100
Licenses and permits	6,942,641	-	-	-	-	47,708	6,990,349
Intergovernmental	428,233	-	-	-	-	4,930,512	5,358,745
Fines and forfeitures	2,375,697	-	-	-	-	1,083,726	3,459,423
Charges for services	12,804,879	-	-	-	-	10,681,124	23,486,003
Interest income	394,156	36,659	18,931	5,635	23,903	630,222	1,109,506
Contributions	5,796	30	-	-	-	84,670	90,496
Miscellaneous	650,093	38,022	-	200,000	-	98,240	986,355
Total revenues	113,661,877	20,014,801	35,759,419	205,635	15,063,374	27,652,871	212,357,977
Expenditures:							
Current:							
General government	22,764,026	-	-	-	7,998	469,830	23,241,854
Judicial	12,648,022	-	-	-	-	931,850	13,579,872
Public safety	43,624,155	20,061,344	-	-	-	5,727,248	69,412,747
Public works	12,548	-	5,270,636	-	-	12,371,836	17,655,020
Health and welfare	1,857,993	-	-	-	-	1,141,219	2,999,212
Culture and recreation	13,880,902	-	185,828	-	-	-	14,066,730
Housing and development	5,093,654	-	-	-	-	690,662	5,784,316
Intergovernmental expenditures	-	-	2,532,062	-	-	-	2,532,062
Capital outlay	-	-	26,838,783	4,822,180	-	41,527,316	73,188,279
Debt service:							
Principal	38,443	-	-	-	28,710,000	-	28,748,443
Interest	4,539	-	-	-	8,627,102	414,489	9,046,130
Total expenditures	99,924,282	20,061,344	34,827,309	4,822,180	37,345,100	63,274,450	260,254,665
Excess (deficiency) of revenues over expenditures	13,737,595	(46,543)	932,110	(4,616,545)	(22,281,726)	(35,621,579)	(47,896,688)
Other financing sources (uses):							
Proceeds from sale of capital assets	2,142	-	-	-	-	-	2,142
Capital leases	-	-	-	-	-	7,870,374	7,870,374
Transfers in	750,000	-	-	-	22,448,187	12,918,092	36,116,279
Transfers out	(13,362,592)	(52,653)	(22,448,187)	-	-	(20,012)	(35,883,444)
Total other financing sources (uses)	(12,610,450)	(52,653)	(22,448,187)	-	22,448,187	20,768,454	8,105,351
Net change in fund balances	1,127,145	(99,196)	(21,516,077)	(4,616,545)	166,461	(14,853,125)	(39,791,337)
Fund balances, beginning of year	53,059,516	5,367,888	20,185,075	63,865,445	15,568,519	67,758,242	225,804,685
Fund balances, end of year	$ 54,186,661	$ 5,268,692	$ (1,331,002)	$ 59,248,900	$ 15,734,980	$ 52,905,117	$ 186,013,348

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, 2016

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(39,791,337)
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.		50,248,974
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		16,028,477
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(176,743)
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.		20,878,069
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.		1,325,371
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.		(175,839)
Change in net position - governmental activities	$	48,336,972

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

ASSETS	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
Current assets:				
Cash	$ 90,040,529	$ 5,707,185	$ 95,747,714	$ 7,607,132
Investments	32,029,956	-	32,029,956	2,352,435
Receivables (net of allowance for uncollectibles)	4,665,276	528,790	5,194,066	22,098
Inventories	1,142,325	-	1,142,325	240,306
Prepaid items	9,168	-	9,168	341,368
Restricted assets:				
Cash	23,618,363	-	23,618,363	-
Total current assets	151,505,617	6,235,975	157,741,592	10,563,339
Noncurrent assets:				
Note receivable	88,757	-	88,757	-
Capital assets:				
Capital assets, not being depreciated	101,624,648	589,730	102,214,378	-
Capital assets, being depreciated	574,456,859	1,379,088	575,835,947	991,001
Less accumulated depreciation	(136,370,015)	(632,366)	(137,002,381)	(675,895)
Total capital assets, net of accumulated depreciation	539,711,492	1,336,452	541,047,944	315,106
Total assets	691,305,866	7,572,427	698,878,293	10,878,445
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	7,056,277	-	7,056,277	-
Total deferred outflows of resources	7,056,277	-	7,056,277	-
LIABILITIES				
Current liabilities:				
Accounts payable	6,865,783	27,423	6,893,206	228,765
Accrued expenses	2,234,585	-	2,234,585	-
Customer deposits payable	3,937,062	-	3,937,062	-
Unearned revenue	29,849,858	-	29,849,858	-
Claims payable, current	-	-	-	4,375,933
Compensated absences, current	453,658	39,674	493,332	64,425
Note payable, current	272,887	-	272,887	-
Landfill postclosure, current	-	114,492	114,492	-
Revenue bonds payable, current	5,240,000	-	5,240,000	-
Total current liabilities	48,853,833	181,589	49,035,422	4,669,123
Long-term liabilities:				
Claims payable	-	-	-	950,469
Compensated absences	113,414	9,918	123,332	16,106
Note payable	6,161,419	-	6,161,419	-
Landfill postclosure	-	1,602,897	1,602,897	-
Revenue bonds payable	195,920,414	-	195,920,414	-
Total long-term liabilities	202,195,247	1,612,815	203,808,062	966,575
Total liabilities	251,049,080	1,794,404	252,843,484	5,635,698
NET POSITION				
Net investment in capital assets	357,103,228	1,336,452	358,439,680	315,106
Restricted for debt service	3,939,275	-	3,939,275	-
Unrestricted	86,270,560	4,441,571	90,712,131	4,927,641
Total net position	$ 447,313,063	$ 5,778,023	453,091,086	$ 5,242,747
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			762,971	
Net position of business-type activities			$ 453,854,057	

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, 2016

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for services				
Water sales	$ 29,429,935	$ -	$ 29,429,935	$ -
Sewer sales	15,722,198	-	15,722,198	-
Other	366,944	-	366,944	26,035,453
Recycling and transfer fees	-	2,319,423	2,319,423	-
Insurance recoveries	-	-	-	148,457
Other operating income	184,460	-	184,460	1,150
Total operating revenues	45,703,537	2,319,423	48,022,960	26,185,060
OPERATING EXPENSES				
Salaries and benefits	6,865,655	582,742	7,448,397	1,266,885
Supplies and maintenance	12,268,945	371,960	12,640,905	187,805
Claims	-	-	-	23,826,933
Insurance premiums	-	-	-	986,036
General and administrative	-	-	-	617,653
Depreciation and amortization expense	11,561,154	36,330	11,597,484	56,261
Water purchases	3,917,005	-	3,917,005	-
Sewer flow costs	4,931,885	-	4,931,885	-
Total operating expenses	39,544,644	991,032	40,535,676	26,941,573
Operating income	6,158,893	1,328,391	7,487,284	(756,513)
NONOPERATING REVENUE (EXPENSES)				
Investment earnings	509,696	8,214	517,910	25,024
Intergovernmental revenue	31,259	-	31,259	-
Interest expense	(5,072,477)	-	(5,072,477)	-
Total nonoperating revenues (expenses)	(4,531,522)	8,214	(4,523,308)	25,024
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,627,371	1,336,605	2,963,976	(731,489)
Capital contributions	45,429,304	-	45,429,304	4,965
Transfers in	17,165	-	17,165	500,000
Transfers out	-	(750,000)	(750,000)	-
Total capital contributions and transfers	45,446,469	(750,000)	44,696,469	504,965
Change in net position	47,073,840	586,605	47,660,445	(226,524)
NET POSITION, beginning of year, restated	400,239,223	5,191,418		5,469,271
NET POSITION, end of year	$ 447,313,063	$ 5,778,023		$ 5,242,747
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			(50,685)	
Change in net position of business-type activities			$ 47,609,760	

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, 2016

	Water & Sewerage Authority	Nonmajor Solid Waste Disposal Facility	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 46,238,363	$ 2,277,194	$ 48,515,557	$ 26,185,570
Payments to suppliers and service providers	(20,204,105)	(312,033)	(20,516,138)	(24,453,151)
Payments to employees	(6,873,631)	(575,717)	(7,449,348)	(1,262,494)
Net cash provided by operating activities	19,160,627	1,389,444	20,550,071	469,925
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchased investments	(243,786)	-	(243,786)	(18,227)
Interest received	494,326	8,214	502,540	23,956
Net cash provided by investing activities	250,540	8,214	258,754	5,729
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(16,286,427)	(13,143)	(16,299,570)	-
Principal payments on notes	(264,833)	-	(264,833)	-
Principal payments on bonds	(5,085,000)	-	(5,085,000)	-
Interest and fiscal charges paid	(7,383,455)	-	(7,383,455)	-
Intergovernmental grants received	31,259	-	31,259	-
Capital contributions received	15,312,240	-	15,312,240	-
Net cash used in capital and related financing activities	(13,676,216)	(13,143)	(13,689,359)	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	17,165	-	17,165	500,000
Transfers out	-	(750,000)	(750,000)	-
Net cash provided by (used in) noncapital financing activities	17,165	(750,000)	(732,835)	500,000
Net increase in cash and cash equivalents	5,752,116	634,515	6,386,631	975,654
Cash and cash equivalents:				
Beginning of year	107,906,776	5,072,670	112,979,446	6,631,478
End of year	$ 113,658,892	$ 5,707,185	$ 119,366,077	$ 7,607,132
Classified as:				
Cash	$ 90,040,529	$ 5,707,185	$ 95,747,714	$ 7,607,132
Restricted cash	23,618,363	-	23,618,363	-
Total	$ 113,658,892	$ 5,707,185	$ 119,366,077	$ 7,607,132
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	$ 6,158,893	$ 1,328,391	$ 7,487,284	$ (756,513)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	11,561,154	36,330	11,597,484	56,261
(Increase) decrease in accounts and notes receivable	(1,160,870)	(42,229)	(1,203,099)	626,463
Increase in inventories	(78,525)	-	(78,525)	(36,064)
(Increase) decrease in prepaid expenses	74,716	-	74,716	(46,713)
Increase (decrease) in accounts payable	680,666	18,040	698,706	(10,806)
Decrease in accrued expenses	(5,355)	-	(5,355)	-
Increase in customer deposits payable	242,228	-	242,228	-
Increase in unearned revenue	1,695,696	-	1,695,696	-
Increase (decrease) in compensated absences	(7,976)	7,025	(951)	4,391
Increase in claims payable	-	-	-	632,906
Increase in landfill postclosure care costs	-	41,887	41,887	-
Net cash provided by operating activities	$ 19,160,627	$ 1,389,444	$ 20,550,071	$ 469,925
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	$ 30,117,064	$ -	$ 30,117,064	$ 4,965

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

FORSYTH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

ASSETS	Agency Funds	Pension Trust Fund
Cash and cash equivalents	$ 8,654,496	$ 672,853
Mutual funds	-	14,192,638
Taxes receivable	8,178,043	-
Other receivable	73	322
Total assets	16,832,612	14,865,813
LIABILITIES		
Due to others	8,654,569	-
Uncollected taxes	8,178,043	-
Total liabilities	16,832,612	-
NET POSITION		
Net position restricted for pension benefits	$ -	$ 14,865,813

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, 2016

	Pension Trust Fund
ADDITIONS	
Employer contributions	$ 1,000,000
Investment income	1,333,298
Less investment expense	(54,338)
Net investment income	1,278,960
Total additions	2,278,960
DEDUCTIONS	
Benefit payments	940,744
Total deductions	940,744
Change in net position	1,338,216
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	13,527,597
End of year	$ 14,865,813

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 Units

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 the Chairman of the County Board of Commissioners and three members as appointed by the County Board of Commissioners. As such, the County appoints a voting majority of the Health Department's Board. Additionally, the County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Health Department has a June 30th year-end and is presented as a governmental type component unit. 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.

The Forsyth County Public Facilities Authority (the "PFA") was created in 2008 by the State of Georgia General Assembly. The purpose of the PFA is to provide public buildings and facilities for Forsyth County, Georgia and the Forsyth County School District. The PFA has the power to issue revenue bonds for such purposes; however, the PFA does not have any taxing powers. The PFA is governed by five (5) members appointed by the County Board of Commissioners. Additionally, the County is able to impose its will on the PFA through the ability to modify or approve its financing activities.

The PFA is presented as a governmental fund type and separate financial statements for the PFA are not prepared. The PFA reports no current assets or current liabilities and therefore a balance sheet on the modified accrual basis of accounting is not reported. Financial information for the PFA can be obtained by contacting the County's management at 110 East Main Street, Suite 210, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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.

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 ***Transportation Bond Fund*** accounts for the financial resources received from the issuance of General Obligation Bonds, Series 2015 and the related expenditures for County-wide transportation projects.

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 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Additionally, the County reports the following fund types (continued):

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-3, 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. 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). 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 pool also adjusts the value of its investments to fair value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The County's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition 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. During the current year, the County capitalized $2,270,473 of interest cost to capital assets.

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. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. One item that qualifies for reporting in this category 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.

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. Two items arise under a modified accrual basis of accounting that qualify for reporting in this category. One 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. The County also reports deferred 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. These deferred revenues are reported in both the governmental funds balance sheet and statement of net position. The last item 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.

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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. The general fund is the only fund that can report a positive unassigned fund balance; any fund of the County reporting a deficit fund balance at year-end will report that balance as unassigned.

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, 2016, the County has reported $262,596 of encumbrances as assignments of fund balance in the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

M. Pensions

The Forsyth County Defined Benefit Pension Plan uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when legally due. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

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 $228,450,191 difference are as follows:

Bonds payable	$	(181,105,000)
Unamortized premiums		(28,567,364)
Deferred charges on refundings		9,178,440
Certificates of participation		(7,777,000)
Capital lease payable		(7,951,686)
Accrued interest		(3,859,616)
Net OPEB obligation		(1,300,314)
Compensated absences		(7,067,651)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(228,450,191)

Another element of that reconciliation explains that "the net pension liability and deferred outflows of resources related to the County's defined benefit pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds." The details of this $3,634,639 difference are as follows:

Net pension liability	$	(4,953,708)
Deferred outflows of resources - pension items		1,319,069
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(3,634,639)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net 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 $50,248,974 difference are as follows:

Capital outlay	$ 76,364,037
Depreciation expense	(26,115,063)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 50,248,974

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 $16,028,477 difference are as follows:

Disposal of capital assets	$ (563,631)
Donations of capital assets	16,592,108
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 16,028,477

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 "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 $20,878,069 difference are as follows:

Capital leases	$	(7,870,374)
Principal payments on bonds payable		28,710,000
Principal payments on capital leases payable		38,443
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	20,878,069

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 $1,325,371 difference are as follows:

Compensated absences	$	(87,248)
Net OPEB obligation		(953,106)
Change in pension expense		111,861
Amortization		2,173,619
Accrued interest		80,245
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	1,325,371

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January 1, the County Manager submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.

3. The budget is then adopted by the Board of Commissioners at a public meeting.

4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget at the department level must be amended by formal action of the Board of Commissioners in a regular meeting.

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

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

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Budgets and Budgetary Accounting (Continued)

For the year ended December 31, 2016, total expenditures for the Sheriff's Office department of the General Fund exceeded appropriations by $1,743,110. These over expenditures were funded by greater than anticipated revenues and available fund balance, as needed.

Deficit Fund Balance

The County's SPLOST Fund ended the year with a deficit fund balance of $1,331,002. This deficit has arisen due to the County utilizing available resources in the General Fund to fund certain voter approved projects in advance of the collection of sales tax revenues. The deficit will be alleviated as sales tax revenues are collected in future periods.

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.

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

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.

At December 31, 2016, information on the credit risk and interest rate risk related to the County's investments is disclosed as follows:

	Maturity				
Investment	Less than 1 year	1-5 years	Greater than 5 years	Credit Rating	Balance
Fidelity Institutional Treasury MM	$ 79,191,281	$ -	$ -	(a)	$ 79,191,281
United States Treasuries	9,804,018	47,051,994	-	AAA	56,856,012
Georgia Fund 1	122,249,605	-	-	AAAf	122,249,605
Federal Home Loan Mortgage Corporation	-	621,344	-	AAA	621,344
Federal Home Loan Bank	-	5,933,472	-	AAA	5,933,472
Federal National Mortgage Association	3,899,155	7,628,050	-	AAA	11,527,205
Wells Fargo Adv Tr Pl Mm Ins	441,347	-	-	(a)	441,347
Certificates of deposit	2,750,311	249,750	-	(a)	3,000,061
Guaranteed Investment Contract	-	-	7,486,492	(b)	7,486,492
Morgan Stanley Institutional Liquidity	10,069,870	-	-	AAAm	10,069,870
	$ 228,405,587	$ 61,484,610	$ 7,486,492		$ 297,376,689

(a) These are money market accounts or certificates of deposit (CDs) which are not rated.
(b) This is a guaranteed contract with the Georgia Municipal Association (GMA) and is not rated.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The County has the following recurring fair value measurements as of December 31, 2016:

Investment	Level 1	Level 2	Fair Value
Fidelity Institutional Treasury MM Mutual Fund	$ 79,191,281	$ -	$ 79,191,281
United States Treasuries	56,856,012	-	56,856,012
Federal Home Loan Mortgage Corporation	-	621,344	621,344
Federal Home Loan Bank	-	5,933,472	5,933,472
Federal National Mortgage Association	-	11,527,205	11,527,205
Wells Fargo Treasury MM Mutual Fund	441,347	-	441,347
Morgan Stanley Inst. Liquidity MM Mutual Fund	10,069,870	-	10,069,870
Total investments measured at fair value	$ 146,558,510	$ 18,082,021	164,640,531
Investments not subject to level disclosure:			
Georgia Fund 1			122,249,605
Investments carried at cost:			
Guaranteed Investment Contract			7,486,492
Certificates of Deposit			3,000,061
Total Investments			$ 297,376,689
Fair market hedging derivative:			
Interest rate swap agreement	$ -	$ 2,027,670	$ 2,027,670

The Fidelity Treasury Money Market Mutual Fund, United States Treasuries, Wells Fargo Treasury Money Market Mutual Fund, and the Morgan Stanley Institutional Liquidity Money Market Mutual Fund classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investments in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and the Federal National Mortgage Association classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The interest rate swap agreement is classified as an 'other asset' as more fully described in Note 8. The fair value of the interest rate swap agreement classified as Level 2 of the fair value hierarchy is valued using an option-adjusted discounted cash flow model.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued). The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose the investment in Georgia Fund 1 within the fair value hierarchy.

The County's Guaranteed Investment Contract as well as its certificates of deposit are nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

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, 2016, the County's deposit balances were collateralized as defined by State statutes and GASB.

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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Plan (Continued)

At December 31, 2016, the Plan had $14,192,638 invested in the following types of investments:

Investment	Maturity: Less than 1 year	Credit Rating	Fair Value
Collective Funds - Pension	$ 12,385,295	(a)	$ 12,385,295
Mutual Funds - Pension	1,807,343	(b)	1,807,343
	$ 14,192,638		$ 14,192,638

(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, 2016, 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.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County's pension plan has the following recurring fair value measurements as of December 31, 2016:

Investment	Level 1	Level 2	Fair Value
Mutual Funds	$ 1,807,343	$ -	$ 1,807,343
Collective Funds	-	12,385,295	12,385,295
Total investments measured at fair value	$ 1,807,343	$ 12,385,295	$ 14,192,638

The mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The collective funds classified as Level 2 of the fair value hierarchy are valued using matrix pricing techniques.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Rate of return. For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.01 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, 2016, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Fire District Fund	SPLOST Fund	Debt Service Fund
Receivables:				
Taxes	$ 2,203,404	$ 875,753	$ 3,522,291	$ 634,317
Other governments	2,995,542	-	-	-
Accounts	1,010,533	3,767	-	-
Gross receivables	6,209,479	879,520	3,522,291	634,317
Less allowance for uncollectibles	-	-	-	-
Net receivables	$ 6,209,479	$ 879,520	$ 3,522,291	$ 634,317

	Nonmajor Governmental Funds	Water & Sewerage Authority	Nonmajor Proprietary Fund
Receivables:			
Taxes	$ 39,126	$ -	$ -
Other governments	1,658,572	-	-
Accounts	686,297	5,699,619	528,790
Gross receivables	2,383,995	5,699,619	528,790
Less allowance for uncollectibles	-	(1,034,343)	-
Net receivables	$ 2,383,995	$ 4,665,276	$ 528,790

NOTE 5. RECEIVABLES (Continued)

Property taxes for the 2016 fiscal year were levied on August 11, 2015, with property values assessed as of January 1, 2015. Bills are payable on or before November 15, 2015 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, 2015. Property taxes levied during 2016 are for fiscal year 2017. Amounts recorded as a receivable and amounts collected as of December 31, 2016 related to these taxes are recorded as deferred inflows of resources – deferred revenue in both the fund-level and government-wide financial statements.

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NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 426,422,558	$ 9,119,262	$ (149,518)	$ 2,371,891	$ 437,764,193
Infrastructure land improvements	163,800,814	-	-	3,655,494	167,456,308
Construction in progress	36,525,854	69,497,803	(35,532)	(39,786,823)	66,201,302
Total capital assets, not being depreciated	626,749,226	78,617,065	(185,050)	(33,759,438)	671,421,803
Capital assets, being depreciated:					
Buildings and improvements	229,635,435	332,314	(1,845,440)	12,721,082	240,843,391
Machinery and equipment	50,876,485	1,608,484	(2,032,978)	14,603,097	65,055,088
Vehicles	29,981,051	2,192,278	(19,603)	1,398,189	33,551,915
Infrastructure	322,024,456	10,210,970	-	5,037,070	337,272,496
Total capital assets, being depreciated	632,517,427	14,344,046	(3,898,021)	33,759,438	676,722,890
Less accumulated depreciation for:					
Buildings and improvements	32,607,348	6,525,845	(1,574,478)	682,653	38,241,368
Machinery and equipment	33,107,206	4,746,379	(1,925,359)	-	35,928,226
Vehicles	20,193,101	2,610,941	(19,603)	-	22,784,439
Infrastructure	171,791,414	12,288,159	-	(682,653)	183,396,920
Total accumulated depreciation	257,699,069	26,171,324	(3,519,440)	-	280,350,953
Total capital assets, being depreciated, net	374,818,358	(11,827,278)	(378,581)	33,759,438	396,371,937
Governmental activities capital assets, net	$ 1,001,567,584	$ 66,789,787	$ (563,631)	$ -	$ 1,067,793,740

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 28,757,058	$ 934,309	$ -	$ -	$ 29,691,367
Sewer capacity rights	7,641,189	136,504	-	-	7,777,693
Construction in progress	48,094,137	16,693,633	-	(42,452)	64,745,318
Total capital assets, not being depreciated	84,492,384	17,764,446	-	(42,452)	102,214,378
Capital assets, being depreciated:					
Land improvements	365,253	-	-	-	365,253
Buildings and improvements	17,858,372	-	-	-	17,858,372
Machinery and equipment	7,250,165	214,350	-	42,452	7,506,967
Vehicles	2,874,537	318,074	-	-	3,192,611
Sewer capacity rights	14,609,550	-	-	-	14,609,550
Infrastructure	501,798,834	30,504,360	-	-	532,303,194
Total capital assets, being depreciated	544,756,711	31,036,784	-	42,452	575,835,947
Less accumulated depreciation for:					
Land improvements	177,333	4,255	-	-	181,588
Buildings and improvements	3,087,037	365,560	-	-	3,452,597
Machinery and equipment	3,765,166	329,346	-	-	4,094,512
Vehicles	1,693,396	230,926	-	-	1,924,322
Sewer capacity rights	6,181,701	1,465,170	-	-	7,646,871
Infrastructure	109,453,577	10,248,914	-		119,702,491
Total accumulated depreciation	124,358,210	12,644,171	-	-	137,002,381
Total capital assets, being depreciated, net	420,398,501	18,392,613	-	42,452	438,833,566
Business-type activities capital assets, net	$ 504,890,885	$ 36,157,059	$ -	$ -	$ 541,047,944

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:	
General government	$ 2,502,045
Judicial	1,060,491
Public safety	6,905,128
Public works	12,381,487
Health and welfare	108,549
Culture and recreation	3,106,581
Housing and development	107,043
Total depreciation expense - governmental activities	$ 26,171,324
Business-type activities:	
Water and Sewerage Authority	$ 12,607,841
Solid Waste Disposal Facility	36,330
Total depreciation expense - business-type activities	$ 12,644,171

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2016, was as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 1,760,732
SPLOST Fund	Nonmajor governmental funds	963,184
General Fund	SPLOST Fund	3,213,696
		$ 5,937,612

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. Additionally, the amount owed to the SPLOST Fund relates to a voter approved SPLOST project for which Impact Fee and grant funding was also available and the interfund balance arose as the County had not moved the cash by year-end. The General Fund receivable from SPLOST is to reimburse the General Fund for advance funding of SPLOST projects in the prior years.

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

Interfund transfers for the year ended December 31, 2016 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor enterprise funds	$ 750,000
Internal service funds	General Fund	$ 500,000
Debt Service Fund	SPLOST Fund	$ 22,448,187
Water & Sewer Fund	General Fund	$ 17,165
Nonmajor governmental funds	General Fund	$ 12,845,427
Nonmajor governmental funds	Fire Fund	52,653
Nonmajor governmental funds	Nonmajor governmental funds	20,012
		$ 12,918,092

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

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NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable	$ 209,815,000	$ -	$ (28,710,000)	$ 181,105,000	$ 7,055,000
Plus: Premiums	31,745,945	-	(3,178,581)	28,567,364	-
Total bonds payable	241,560,945	-	(31,888,581)	209,672,364	7,055,000
Capital leases payable	119,755	7,870,374	(38,443)	7,951,686	2,607,754
Certificates of participation	7,777,000	-	-	7,777,000	-
Net OPEB obligation	347,208	1,028,000	(74,894)	1,300,314	-
Net pension liability	5,510,821	1,776,185	(2,333,298)	4,953,708	-
Compensated absences	7,056,543	19,631,920	(19,540,281)	7,148,182	5,718,546
Claims payable	4,693,496	24,273,548	(23,640,642)	5,326,402	4,375,933
Governmental activities long-term liabilities	$ 267,065,768	$ 54,580,027	$ (77,516,139)	$ 244,129,656	$ 19,757,233
Business-type Activities:					
Bonds payable	$ 187,820,000	$ -	$ (5,085,000)	$ 182,735,000	$ 5,240,000
Plus: Premiums	20,013,468	-	(1,588,054)	18,425,414	-
Total bonds payable	207,833,468	-	(6,673,054)	201,160,414	5,240,000
Note payable	6,699,139	-	(264,833)	6,434,306	272,887
Landfill postclosure costs	1,675,502	115,186	(73,299)	1,717,389	114,492
Compensated absences	617,615	2,296,573	(2,297,524)	616,664	493,332
Business-type activities long-term liabilities	$ 216,825,724	$ 2,411,759	$ (9,308,710)	$ 209,928,773	$ 6,120,711

For governmental activities, compensated absences and claims and judgments are being liquidated primarily by the General Fund. The OPEB obligations and net pension liability 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. During 2015, the County issued $60,315,000 of Series 2015B general obligation bonds for the purpose of refunding $64,065,000 of the Series 2008A bonds maturing March 1, 2020 through March 1, 2028. The Series 2015B Bonds bear interest at rates from 3.0% to 5.0% and are payable on March 1 and September 1 of each year, maturing on March 1, 2028. The refunding transaction undertaken by the County resulted in aggregate debt service savings of $5,838,136 and an economic gain (net present value of the aggregate debt service savings) of $4,967,439.

As part of the refunding mentioned above, the County defeased certain outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of December 31, 2016, the outstanding amount of Series 2008A general obligation bonds considered legally defeased is $64,065,000.

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.

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.

During 2015, the County issued $83,765,000 of Series 2015A general obligation bonds. The 2015A bonds were issued to finance the costs of constructing and installing various transportation improvement projects throughout the County. The bonds, which bear interest at rates from 3.0% to 5.0%, mature March 1, 2035.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued). The County's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2017	$ 7,055,000	$ 8,308,731	$ 15,363,731
2018	11,810,000	7,958,947	19,768,947
2019	11,900,000	7,541,208	19,441,208
2020	10,315,000	7,138,522	17,453,522
2021	8,130,000	6,758,375	14,888,375
2022 - 2026	52,605,000	27,007,900	79,612,900
2027 - 2031	50,080,000	12,150,250	62,230,250
2032 - 2035	29,210,000	3,012,250	32,222,250
Total	$ 181,105,000	$ 79,876,183	$ 260,981,183

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 (2) 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, 2016, the floating rate being paid by the County is 1.03% and the fair value of this agreement is $2,027,670, a decrease of $350,527 from the prior year. The fair value of the hedge was determined using settlement prices at the end of the day on December 31, 2016 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 a 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,			
2017	$ -	$ 369,408	$ 369,408
2018	-	369,408	369,408
2019	-	369,408	369,408
2020	-	369,408	369,408
2021	-	369,408	369,408
2022-2026	-	1,847,040	1,847,040
2027-2028	7,777,000	738,816	8,515,816
Total	$ 7,777,000	$ 4,432,896	$ 12,209,896

Capital Leases – Equipment. The County has entered into lease agreements as lessee to finance the acquisition of telecommunications equipment and radios for use in general governmental activities. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. The leases are for periods ranging from three to five years, and bear interest at rates ranging from 2.15% – 3.79%. As of December 31, 2016, the County had $10,130,418 of machinery and equipment with accumulated amortization of $342,246 financed with capital leases. The leased assets' annual amortization expense is reported with depreciation expense.

At December 31, 2016, future lease payments for the capital leases payable are as follows:

	Governmental Activities
Year Ending December 31,	
2017	$ 2,780,048
2018	2,780,048
2019	2,737,067
Total minimum lease payments	8,297,163
Less amount representing interest	345,477
Present value of future minimum lease payments	$ 7,951,686

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds. 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, 2017.

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 2017 with a new negotiated spread. The variable rate in effect as of the year-end is 0.73% and the bonds mature April 1, 2035. The current outstanding amount of debt considered legally defeased equals $30,320,000 as of December 31, 2016.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds (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 refunding 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.

Series 2015 Water and Sewer Revenue Bonds – In March 2015, the County Water and Sewerage Authority issued $75,665,000 in revenue bonds to refund $935,000 of the Series 2005A Bonds, $23,735,000 of the Series 2007 Bonds, and to finance expansion of the County's water and sewerage system. The County has determined the refunding will reduce the Authority's debt service payments by $4,083,177 on an aggregate basis and a net present savings of $3,073,758. 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 5.0%, mature April 1, 2044. At December 31, 2016, $39,425,000 of the defeased 2007 Bonds remain outstanding.

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Revenue Bonds (Continued). The County's debt service requirements to maturity on its outstanding revenue bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2017	$ 5,240,000	$ 7,041,737	$ 12,281,737
2018	5,460,000	6,831,187	12,291,187
2019	5,700,000	6,607,587	12,307,587
2020	5,920,000	6,375,087	12,295,087
2021	6,185,000	6,121,112	12,306,112
2022-2026	35,240,000	26,054,686	61,294,686
2027-2031	44,580,000	17,080,762	61,660,762
2032-2036	45,220,000	7,556,635	52,776,635
2037-2041	17,390,000	4,741,000	22,131,000
2042-2044	11,800,000	1,217,000	13,017,000
Total	$ 182,735,000	$ 89,626,793	$ 272,361,793

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
2017	$ 272,887	$ 176,447	$ 449,334
2018	281,188	168,147	449,335
2019	289,740	159,595	449,335
2020	298,553	150,782	449,335
2021	307,634	141,701	449,335
2022-2026	1,650,964	564,329	2,215,293
2027-2031	1,910,595	298,422	2,209,017
2032-2034	994,421	36,453	1,030,874
Total	$ 6,005,982	$ 1,695,876	$ 7,701,858

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable (Continued). 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, 2016, the loan has a balance of $428,324 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, 2016, the County has 14 years of monitoring remaining. Engineering studies estimate post-closure costs of approximately $1,717,389 over the 14-year period. These costs are based on what it would cost to perform all post-closure care in 2001, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

B. Discretely Presented Component Unit – Public Facilities Authority

Debt activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ -	$ 25,320,000	$ -	$ 25,320,000	$ 1,175,000
Original issue premium	-	4,973,992	-	4,973,992	-
Total revenue bonds payable, net	$ -	$ 30,293,992	$ -	$ 30,293,992	$ 1,175,000

Revenue Bonds. On July 1, 2016, the Forsyth County Public Facilities Authority (the "PFA") issued Revenue Bonds (Forsyth County School District Project), Series 2016 in the aggregate principal amount of $25,320,000. The proceeds from the sale of the Series 2016 bonds were used for the purpose of (a) financing the acquisition, construction and equipping of a high school and (b) paying the costs of issuing the bonds.

NOTE 8. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Public Facilities Authority (Continued)

Revenue Bonds (Continued). The Series 2016 bonds are limited obligations of the PFA payable solely from amounts paid to the PFA pursuant to an intergovernmental contract, dated as of July 1, 2016, between the PFA and the Forsyth County School District (the "District"). Under the contract, the PFA agreed to issue the Series 2016 bonds and remit payment of the proceeds from the sale of the bonds to the District. This payment to the District totaled $30,000,000 when the proceeds from the bonds (less the costs of issuance) were combined with the original issue premium of $4,973,992. The District has agreed to (a) acquire, construct, equip and operate the high school, (b) pay the PFA amounts sufficient to enable the PFA to pay the debt service on the Series 2016 bonds, and (c) levy an ad valorem property tax, limited to 20 mills, on all property in the District subject to such tax in order to make the payments to the PFA. Accordingly, the PFA has recorded the outstanding principal balance of the Series 2016 bonds as a receivable from the District.

The bonds bear interest at rates ranging from 2.0% - 5.0% and interest payments are due on February 1 and August 1 of each year, commencing on February 1, 2017. Principal payments are due annually, also commencing on February 1, 2017 until the bonds mature in 2031. The PFA's debt service requirements to maturity on the revenue bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2017	$ 1,175,000	$ 1,162,655	$ 2,337,655
2018	1,225,000	1,110,575	2,335,575
2019	1,290,000	1,047,700	2,337,700
2020	1,355,000	981,575	2,336,575
2021	1,425,000	912,075	2,337,075
2022-2026	8,300,000	3,386,000	11,686,000
2027-2031	10,550,000	1,131,325	11,681,325
Total	$ 25,320,000	$ 9,731,905	$ 35,051,905

NOTE 9. DEFINED BENEFIT PENSION PLANS

Primary Government

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.

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, 2017, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	51
Terminated vested participants not yet receiving benefits	4
Active participants	25
	80

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

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.

Contributions. A resolution by the Board of Commissioners grants the authority to establish and amend the contributions requirements of the County and active plan members to the Plan's Administrative Committee, subject to Board of Commissioners approval. The Board establishes rates based on an actuarially determined amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended December 31, 2016, the County's contribution rate was 47.0 percent of annual payroll. The Plan participants are not required to contribute to the plan.

Net Pension Liability of the County. The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. An expected total pension liability as of December 31, 2016 was determined using standard roll-forward techniques.

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases, including inflation	4.0%
Investment rate of return	6.9%, including inflation, net of investment expense

Mortality rates were based upon the sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA. Future generational improvements in mortality have not been reflected.

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

Actuarial Assumptions (Continued). The Plan's actuaries have not performed an experience study as the plan was closed to new entrants as of December 31, 2000.

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, 2016 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Domestic large cap	42.4%	6.50%
Mid cap blend	11.2%	7.50
Small cap blend	6.4%	8.25
Fixed income	37.0%	0.75
Cash	3.0%	—
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 6.90%. 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 of the projected benefit payments to determine the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2016 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2015	$ 19,038,418	$ 13,527,597	$ 5,510,821
Changes for the year:			
Service cost	191,249	-	191,249
Interest	1,293,085	-	1,293,085
Differences between expected and actual experience	237,513	-	237,513
Contributions—employer	-	1,000,000	(1,000,000)
Net investment income	-	1,278,960	(1,278,960)
Benefit payments, including refunds of employee contributions	(940,744)	(940,744)	-
Net changes	781,103	1,338,216	(557,113)
Balances at 12/31/2016	$ 19,819,521	$ 14,865,813	$ 4,953,708

As of December 31, 2016, the Plan's fiduciary net position as a percentage of the total pension liability is 75.0%.

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.

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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
$ 7,195,685	$ 4,953,708	$ 3,045,313

NOTE 9. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Primary Government (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, 2016 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended December 31, 2016, the County recognized pension expense of $888,139. At December 31, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 323,975
Changes in assumptions	796,151
Net difference between projected and actual earnings on pension plan investments	198,943
Total	$ 1,319,069

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2017	$ 283,040
2018	283,040
2019	283,040
2020	110,130
2021	190,080
Thereafter	169,739
Total	$ 1,319,069

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. As of December 31, 2016, there were 1,274 plan members. 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. For the year ended December 31, 2016, employee contributions were $4,026,599 and County contributions were $5,023,077. 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 POSTEMPLOYMENT 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, 2016, the most recent actuarial valuation date, the plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	34
Active employees fully vested	128
Active employees not vested	1,023
	1,185

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

Contribution requirements are also approved by resolution of the Board of Commissioners. The County pays claims for eligible retired plan members and their spouses on a pay as you go basis. Plan members receiving benefits contribute $67.60 (non-tobacco) or $80.21 (tobacco user) for single coverage monthly and $202.80 (non-tobacco) or $240.63 (tobacco user) for single plus spousal coverage monthly.

Annual OPEB Cost

The County's annual other postemployment benefit (OPEB) cost and net OPEB obligation for the OPEB plan for the year beginning January 1, 2016 is as follows:

Derivation of Annual OPEB Cost	
Annual Required Contribution	$ 1,070,000
Interest on Net OPEB Obligation	35,000
Adjustment to the ARC	(77,000)
Annual OPEB Cost	$ 1,028,000

Derivation of Net OPEB Obligation	
Annual OPEB Cost for Current Year	$ 1,028,000
Actual Contributions to Plan for Current Year	74,894
Increase in Net OPEB Obligation	953,106
Net OPEB Obligation as of December 31, 2015	347,208
Net OPEB Obligation as of December 31, 2016	$ 1,300,314

Basis of Valuation	
Current Valuation Date	January 1, 2016
Actuarial Cost Method	Projected Unit Credit
Assumed Rate of Return on Investments	4.0%
Healthcare Cost Trend Rate	8.07%
Ultimate Healthcare Trend Rate	5.0%
Year of Ultimate Trend Rate	2021
Amortization Method	Level dollar (open)
Remaining Amortization Period	15
Payroll Inflation Rate	2.50%

NOTE 11. OTHER POSTEMPLOYMENT 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
1/1/2016	$ -	$ 6,956,000	$ 6,956,000	- %	$ 67,725,000	10.27 %

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, 2016.

Trend Information for The Plan

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual County Contribution	Percentage of AOC Contributed	Net OPEB Obligation
12/31/16	$ 1,028,000	$ 74,894	7.3 %	$ 1,300,314
12/31/15	1,049,000	944,682	90.1	347,208
12/31/14	273,000	717,293	262.7	242,890

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. Settlements have not exceeded insurance coverage in each of the past three years.

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, 2016, 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
2016	$ 3,013,496	$ 21,999,211	$ 21,536,305	$ 3,476,402
2015	1,459,934	18,215,524	16,661,962	3,013,496

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, 2016, 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). Settled claims have not exceeded the County's additional coverage in any of the past three (3) periods.

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
2016	$ 1,050,000	$ 1,089,362	$ 859,362	$ 1,280,000
2015	2,050,000	403,877	1,403,877	1,050,000

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, 2016, an actuary determined that an estimated $570,000 in reported unpaid claims and incurred but not reported claims were outstanding relating to fiscal year 2016 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
2016	$ 630,000	$ 1,184,975	$ 1,244,975	$ 570,000
2015	650,000	1,137,269	1,157,269	630,000

NOTE 13. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

In addition to the liabilities enumerated in the balance sheet, at December 31, 2016, the County has contractual commitments on uncompleted contracts of approximately $61,251,905.

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 arising in the course of County operations. Although the outcome of these cases is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Grant Contingencies

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountain Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2016, the County paid $219,840 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, 2016, the County collected $598,149 in revenues. Of this amount $598,149 or 100.00%, was expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 16. RESTATEMENT OF BEGINNING BALANCES

Management of the County has determined that a restatement to the beginning net position of the Water & Sewerage Authority and Business-type Activities is necessary to properly report transactions that occurred in prior fiscal periods. The restatement pertains to prepaid sewer capacity that was improperly recognized as revenue when the cash was collected. As an exchange transaction, the revenue should only have been recognized when earned and in the interim, the amount should have been carried on the statement of net position as an unearned revenue. The net effect of this restatement to beginning net position is as follows:

Net position, December 31, 2015, as previously reported	$ 402,403,893
Restatement for improper revenue recognition	(2,164,670)
Water & Sewerage Authority, beginning net position as of December 31, 2015, as restated	$ 400,239,223

Net position, December 31, 2015, as previously reported	$ 408,408,967
Restatement for improper revenue recognition	(2,164,670)
Business-type Activities, beginning net position as of December 31, 2015, as restated	$ 406,244,297

REQUIRED SUPPLEMENTARY INFORMATION

FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Taxes	$ 85,478,050	$ 86,468,040	$ 90,060,382	$ 3,592,342
Licenses and permits	6,096,900	6,096,900	6,942,641	845,741
Intergovernmental	428,700	428,700	428,233	(467)
Fines and forfeitures	2,297,200	2,297,200	2,375,697	78,497
Charges for services	9,987,600	11,469,800	12,804,879	1,335,079
Interest income	181,400	181,400	394,156	212,756
Contributions	4,000	4,000	5,796	1,796
Miscellaneous	2,672,700	2,672,700	650,093	(2,022,607)
Total revenues	107,146,550	109,618,740	113,661,877	4,043,137
Expenditures:				
Current:				
General government:				
Board of commissioners	818,100	1,070,132	840,113	230,019
Administration	1,005,950	1,373,932	692,736	681,196
Voter registration	2,094,300	2,101,660	985,356	1,116,304
Finance	1,335,600	1,670,162	1,490,154	180,008
Payroll	231,800	234,450	228,684	5,766
Procurement	629,700	641,831	619,249	22,582
Information system and technology	3,906,300	3,977,055	3,060,297	916,758
GIS	1,122,600	1,141,398	845,386	296,012
Personnel services	861,400	944,377	844,343	100,034
Tax commissioner	3,361,300	3,505,340	3,505,332	8
Tax assessor	2,550,900	2,684,947	2,684,864	83
Records management	624,200	761,914	552,745	209,169
Public facilities	5,342,400	5,391,014	3,696,179	1,694,835
Planning and community development	195,800	76,100	32,353	43,747
Other	2,513,800	3,103,189	2,686,235	416,954
Total general government	26,594,150	28,677,501	22,764,026	5,913,475
Judicial:				
Judicial administration	591,400	597,346	497,666	99,680
Superior court	517,700	539,720	539,640	80
Clerk superior court	2,633,100	2,706,237	2,660,560	45,677
District attorney	832,100	863,625	863,547	78
State court	870,100	937,181	909,620	27,561
Magistrate court	976,000	1,036,298	938,430	97,868
Probate court	947,600	993,989	993,811	178
Juvenile court	1,479,600	1,967,405	1,959,933	7,472
Solicitor-state court	1,570,200	1,608,410	1,500,185	108,225
Indigent defense	1,667,800	1,693,907	1,537,722	156,185
Pretrial services	224,300	246,939	246,908	31
Total judicial	12,309,900	13,191,057	12,648,022	543,035
Public safety:				
Sheriff's office	38,034,400	39,491,523	41,234,633	(1,743,110)
Ambulance services	1,267,800	1,267,800	1,267,715	85
Dispatchers	158,900	160,736	133,901	26,835
Coroner and medical examiner	161,200	162,236	152,680	9,556
Animal shelter	822,900	835,281	835,226	55
Total public safety	40,445,200	41,917,576	43,624,155	(1,706,579)
Public works:				
Fleet maintenance	200,000	200,000	12,548	187,452
Total public works	200,000	200,000	12,548	187,452

(Continued)

FORSYTH COUNTY, GEORGIA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Health and welfare:				
Health department	$ 164,400	$ 164,400	$ 157,294	$ 7,106
Senior citizens center	1,701,400	1,728,501	1,692,836	35,665
Community service	16,200	16,200	7,863	8,337
Total health and welfare	1,882,000	1,909,101	1,857,993	51,108
Culture and recreation:				
Parks and recreation	8,338,000	8,548,722	8,432,736	115,986
Library	5,299,000	5,466,190	5,448,166	18,024
Total culture and recreation	13,637,000	14,014,912	13,880,902	134,010
Housing and development:				
Conservation	106,800	108,668	105,102	3,566
Planning and community development	4,631,400	5,621,478	4,260,573	1,360,905
County agent	-	60	-	60
Code enforcement	623,200	635,878	599,636	36,242
Economic development	135,000	135,000	128,343	6,657
Total housing and development	5,496,400	6,501,084	5,093,654	1,407,430
Debt service:				
Principal	-	38,443	38,443	-
Interest	-	4,539	4,539	-
Total debt service	-	42,982	42,982	-
Total expenditures	100,564,650	106,454,213	99,924,282	6,529,931
Excess of revenues over expenditures	6,581,900	3,164,527	13,737,595	10,573,068
Other financing sources (uses):				
Proceeds from sale of capital assets	50,000	50,000	2,142	(47,858)
Transfers in	500,000	750,000	750,000	-
Transfers out	(5,235,200)	(14,105,236)	(13,362,592)	742,644
Total other financing sources (uses)	(4,685,200)	(13,305,236)	(12,610,450)	694,786
Net change in fund balances	1,896,700	(10,140,709)	1,127,145	11,267,854
Fund balances, beginning of year	53,059,516	53,059,516	53,059,516	-
Fund balances, end of year	$ 54,956,216	$ 42,918,807	$ 54,186,661	$ 11,267,854

FORSYTH COUNTY, GEORGIA

FIRE DISTRICT FUND
BUDGETARY COMPARISON SCHEDULE - GAAP BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 19,324,403	$ 19,324,403	$ 19,940,090	$ 615,687
Intergovernmental	-	43,814	-	(43,814)
Interest income	29,000	29,000	36,659	7,659
Contributions	2,200	2,200	30	(2,170)
Miscellaneous	37,000	37,000	38,022	1,022
Total revenues	19,392,603	19,436,417	20,014,801	578,384
Expenditures:				
Current:				
Public safety	20,652,900	21,804,293	20,061,344	1,742,949
Total expenditures	20,652,900	21,804,293	20,061,344	1,742,949
Deficiency of revenues over expenditures	(1,260,297)	(2,367,876)	(46,543)	2,321,333
Other financing uses:				
Transfers out	(52,700)	(52,700)	(52,653)	47
Total other financing uses	(52,700)	(52,700)	(52,653)	47
Net changes in fund balances	(1,312,997)	(2,420,576)	(99,196)	2,321,380
Fund balances, beginning of year	5,367,888	5,367,888	5,367,888	-
Fund balances, end of year	$ 4,054,891	$ 2,947,312	$ 5,268,692	$ 2,321,380

FORSYTH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Other Post-Employment 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, 2016	$ -	$ 6,956,000	$ 6,956,000	0.0%	$ 67,725,000	10.3%
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%

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

	2016	2015	2014
Total pension liability			
Service cost	$ 191,249	$ 210,781	$ 195,813
Interest on total pension liability	1,293,085	1,177,655	1,228,732
Differences between expected and actual experience	237,513	159,510	-
Changes in assumptions	-	1,071,161	-
Benefit payments, including refunds of employee contributions	(940,744)	(886,675)	(802,177)
Net change in total pension liability	781,103	1,732,432	622,368
Total pension liability - beginning	19,038,418	17,305,986	16,683,618
Total pension liability - ending (a)	$ 19,819,521	$ 19,038,418	$ 17,305,986
Plan fiduciary net position			
Contributions - employer	$ 1,000,000	$ 900,000	$ 1,000,000
Net investment income	1,278,960	13,832	991,813
Benefit payments, including refunds of member contributions	(940,744)	(886,675)	(802,177)
Net change in plan fiduciary net position	1,338,216	27,157	1,189,636
Plan fiduciary net position - beginning	13,527,597	13,500,440	12,310,804
Plan fiduciary net position - ending (b)	$ 14,865,813	$ 13,527,597	$ 13,500,440
County's net pension liability - ending (a) - (b)	$ 4,953,708	$ 5,510,821	$ 3,805,546
Plan fiduciary net position as a percentage of the total pension liability	75.0%	71.1%	78.0%
Covered-employee payroll	$ 2,129,390	$ 2,189,987	$ 2,462,389
Net pension liability as a percentage of covered-employee payroll	232.6%	251.6%	154.5%

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

	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 1,000,000	$ 900,000	$ 1,000,000	$ 847,220	$ 1,000,000
Contributions in relation to the actuarially determined contribution	1,000,000	900,000	1,000,000	847,220	1,000,000
Contribution excess	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 2,129,390	$ 2,189,987	$ 2,462,389	$ 2,924,601	$ 2,877,352
Contributions as a percentage of covered-employee payroll	47.0%	41.1%	40.6%	29.0%	34.8%

	2011	2010	2009	2008	2007
Actuarially determined contribution	$ 1,000,000	$ 1,200,000	$ 796,399	$ 629,743	$ 501,687
Contributions in relation to the actuarially determined contribution	1,000,000	1,200,000	796,399	629,743	501,687
Contribution excess	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 2,775,052	$ 3,087,294	$ 3,569,495	$ 3,398,361	$ 3,358,182
Contributions as a percentage of covered-employee payroll	36.0%	38.9%	22.3%	18.5%	14.9%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2016
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market value
Assumed Rate of Return on Investments	6.9%
Projected Salary Increases	4.0%, which includes 1.5% due to merit and 2.5% 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

	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the County's Pension Plan	9.01%	0.10%	7.69%

Notes to the Schedule:

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

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.

County Jail Fund - to account for funds collected from fines and forfeitures that are used to operate the County's Jail Facility.

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

Capital Projects Fund - to account for financial resources to be used for the acquisition and construction of major capital projects.

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

FORSYTH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	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	$ 31,108	$ 638,995	$ 1,432,732	$ 292,652	$ 80,379	$ 68,981
Receivables, net of allowance for uncollectibles	-	-	674,793	-	-	8,346
Taxes receivable	-	-	-	-	-	-
Intergovernmental receivable	955	2,395	-	-	-	-
Prepaid Items	-	-	55,163	-	-	-
Restricted assets:						
Restricted cash and cash equivalents	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Total assets	$ 32,063	$ 641,390	$ 2,162,688	$ 292,652	$ 80,379	$ 77,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 5,353	$ 34,923	$ 525,091	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	9,973
Total liabilities	5,353	34,923	525,091	-	-	9,973
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grants	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable:						
Prepaid items	-	-	55,163	-	-	-
Restricted:						
Crime victims' assistance	26,710	-	-	-	-	-
Law enforcement activities	-	606,467	-	292,652	80,379	-
Law library operations	-	-	-	-	-	67,354
Emergency 911 services	-	-	1,582,434	-	-	-
Capital projects	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Total fund balances	26,710	606,467	1,637,597	292,652	80,379	67,354
Total liabilities, deferred inflows of resources and fund balances	$ 32,063	$ 641,390	$ 2,162,688	$ 292,652	$ 80,379	$ 77,327

Special Revenue Funds					Capital Projects Funds		
Juvenile Court Fund	Grant Fund	Insurance Premium Tax Fund	County Jail Fund	Hotel/Motel Tax Fund	Capital Projects Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ 28,389	$ 374,049	$ 7,465,405	$ 478,357	$ 45,886	$ 24,931,074	$ 7,278,497	$ 43,146,504
-	122	1,126	1,910	-	-	-	686,297
-	-	-	-	39,126	-	-	39,126
-	1,655,222	-	-	-	-	-	1,658,572
-	-	-	-	-	-	-	55,163
-	-	-	-	-	10,069,870	-	10,069,870
-	-	-	-	-	7,486,492	-	7,486,492
$ 28,389	$ 2,029,393	$ 7,466,531	$ 480,267	$ 85,012	$ 42,487,436	$ 7,278,497	$ 63,142,024
$ -	$ 1,563,563	$ 2,117,299	$ -	$ 85,012	$ 1,477,967	$ 1,580,370	$ 7,389,578
-	169,086	-	-	-	1,701,824	843,033	2,723,916
-	1,732,649	2,117,299	-	85,012	3,179,791	2,423,403	10,113,494
-	123,413	-	-	-	-	-	123,413
-	123,413	-	-	-	-	-	123,413
-	-	-	-	-	-	-	55,163
-	-	-	-	-	-	-	26,710
28,389	-	-	480,267	-	-	-	1,488,154
-	-	-	-	-	-	-	67,354
-	-	-	-	-	-	-	1,582,434
-	-	5,349,232	-	-	16,130,357	4,855,094	26,334,683
-	173,331	-	-	-	23,177,288	-	23,350,619
28,389	173,331	5,349,232	480,267	-	39,307,645	4,855,094	52,905,117
$ 28,389	$ 2,029,393	$ 7,466,531	$ 480,267	$ 85,012	$ 42,487,436	$ 7,278,497	$ 63,142,024

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds					
	Victims Rights & Assistance Fund	Drug Abuse Treatment & Education Fund	Emergency 911 Telephone System Fund	Sheriff's Law Enforcement Fund	Distict Attorney Seizure Fund	Law Library Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-
Fines and forfeitures	120,496	461,979	-	113,614	3,197	98,319
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	4,396,821	-	-	-
Interest income	49	901	1,892	2,284	-	-
Contributions and donations	-	-	-	11,135	-	-
Miscellaneous	-	11,783	-	70,032	-	8,340
Total revenues	120,545	474,663	4,398,713	197,065	3,197	106,659
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Judicial	349,551	-	-	-	-	108,054
Public safety	-	500,003	4,143,801	730,136	2,439	-
Public works	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Total expenditures	349,551	500,003	4,143,801	730,136	2,439	108,054
Excess (deficiency) of revenues over expenditures	(229,006)	(25,340)	254,912	(533,071)	758	(1,395)
Other financing sources (uses):						
Transfers in	254,169	-	86,267	-	-	-
Transfers out	(20,012)	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Total other financing sources (uses)	234,157	-	86,267	-	-	-
Net change in fund balances	5,151	(25,340)	341,179	(533,071)	758	(1,395)
Fund balances (deficit), beginning of year	21,559	631,807	1,296,418	825,723	79,621	68,749
Fund balances, end of year	$ 26,710	$ 606,467	$ 1,637,597	$ 292,652	$ 80,379	$ 67,354

Special Revenue Funds					Capital Projects Funds		
Juvenile Court Fund	Grant Fund	Insurance Premium Tax Fund	County Jail Fund	Hotel/Motel Tax Fund	Capital Projects Fund	Impact Fees Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 9,498,520	$ -	$ 598,149	$ -	$ -	$ 10,096,669
-	4,647,494	283,018	-	-	-	-	4,930,512
14,810	-	20,650	250,661	-	-	-	1,083,726
-	-	47,708	-	-	-	-	47,708
-	36,908	508	-	-	-	6,246,887	10,681,124
39	-	14,736	480	-	596,128	13,713	630,222
-	54,179	-	-	-	19,356	-	84,670
-	-	509	-	-	7,576	-	98,240
14,849	4,738,581	9,865,649	251,141	598,149	623,060	6,260,600	27,652,871
-	-	-	-	-	469,830	-	469,830
19,800	454,445	-	-	-	-	-	931,850
-	331,462	-	19,407	-	-	-	5,727,248
-	3,040,891	9,299,837	-	-	31,108	-	12,371,836
-	-	-	-	598,149	-	92,513	690,662
-	1,141,219	-	-	-	-	-	1,141,219
-	-	-	-	-	23,944,767	17,582,549	41,527,316
-	-	-	-	-	414,489	-	414,489
19,800	4,968,017	9,299,837	19,407	598,149	24,860,194	17,675,062	63,274,450
(4,951)	(229,436)	565,812	231,734	-	(24,237,134)	(11,414,462)	(35,621,579)
-	632,448	883,399	-	-	11,061,809	-	12,918,092
-	-	-	-	-	-	-	(20,012)
-	-	-	-	-	7,870,374	-	7,870,374
-	632,448	883,399	-	-	18,932,183	-	20,768,454
(4,951)	403,012	1,449,211	231,734	-	(5,304,951)	(11,414,462)	(14,853,125)
33,340	(229,681)	3,900,021	248,533	-	44,612,596	16,269,556	67,758,242
$ 28,389	$ 173,331	$ 5,349,232	$ 480,267	$ -	$ 39,307,645	$ 4,855,094	$ 52,905,117

FORSYTH COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 110,000	$ 110,000	$ 120,496	$ 10,496
Interest income	-	-	49	49
Total revenues	110,000	110,000	120,545	10,545
Expenditures:				
Current:				
Judicial	359,600	389,994	349,551	40,443
Total expenditures	359,600	389,994	349,551	40,443
Deficiency of revenues over expenditures	(249,600)	(279,994)	(229,006)	50,988
Other financing sources (uses):				
Transfers in	267,400	304,169	254,169	(50,000)
Transfers out	(17,800)	(24,175)	(20,012)	4,163
Total other financing sources (uses)	249,600	279,994	234,157	(45,837)
Net changes in fund balances	-	-	5,151	5,151
Fund balances, beginning of year	21,559	21,559	21,559	-
Fund balances, end of year	$ 21,559	$ 21,559	$ 26,710	$ 5,151

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 512,000	$ 512,000	$ 461,979	$ (50,021)
Interest income	-	-	901	901
Miscellaneous	16,000	16,000	11,783	(4,217)
Total revenues	528,000	528,000	474,663	(53,337)
Expenditures:				
Current:				
Public safety	687,580	694,166	500,003	194,163
Total expenditures	687,580	694,166	500,003	194,163
Net changes in fund balances	(159,580)	(166,166)	(25,340)	140,826
Fund balances, beginning of year	631,807	631,807	631,807	-
Fund balances, end of year	$ 472,227	$ 465,641	$ 606,467	$ 140,826

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 3,214,600	$ 3,880,000	$ 4,396,821	$ 516,821
Interest income	-	-	1,892	1,892
Total revenues	3,214,600	3,880,000	4,398,713	518,713
Expenditures:				
Current:				
Public safety	3,957,200	4,540,476	4,143,801	396,675
Total expenditures	3,957,200	4,540,476	4,143,801	396,675
Excess (deficiency) of revenues over expenditures	(742,600)	(660,476)	254,912	915,388
Other financing sources:				
Transfers in	-	419,330	86,267	(333,063)
Total other financing sources	-	419,330	86,267	(333,063)
Net changes in fund balances	(742,600)	(241,146)	341,179	582,325
Fund balances, beginning of year	1,296,418	1,296,418	1,296,418	-
Fund balances, end of year	$ 553,818	$ 1,055,272	$ 1,637,597	$ 582,325

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, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 550,000	$ 550,000	$ 113,614	$ (436,386)
Interest income	-	-	2,284	2,284
Contributions	1,000	1,000	11,135	10,135
Miscellaneous	-	-	70,032	70,032
Total revenues	551,000	551,000	197,065	(353,935)
Expenditures:				
Current:				
Public safety	551,000	762,000	730,136	31,864
Total expenditures	551,000	762,000	730,136	31,864
Net changes in fund balances	-	(211,000)	(533,071)	(322,071)
Fund balances, beginning of year	825,723	825,723	825,723	-
Fund balances, end of year	$ 825,723	$ 614,723	$ 292,652	$ (322,071)

FORSYTH COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 1,000	$ 2,440	$ 3,197	$ 757
Total revenues	1,000	2,440	3,197	757
Expenditures:				
Current:				
Public safety	1,000	2,440	2,439	1
Total expenditures	1,000	2,440	2,439	1
Net changes in fund balances	-	-	758	758
Fund balances, beginning of year	79,621	79,621	79,621	-
Fund balances, end of year	$ 79,621	$ 79,621	$ 80,379	$ 758

FORSYTH COUNTY, GEORGIA
LAW LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 97,000	$ 97,000	$ 98,319	$ 1,319
Miscellaneous	-	3,200	8,340	5,140
Total revenues	97,000	100,200	106,659	6,459
Expenditures:				
Current:				
Judicial	105,000	108,200	108,054	146
Total expenditures	105,000	108,200	108,054	146
Net changes in fund balances	(8,000)	(8,000)	(1,395)	6,605
Fund balances, beginning of year	68,749	68,749	68,749	-
Fund balances, end of year	$ 60,749	$ 60,749	$ 67,354	$ 6,605

FORSYTH COUNTY, GEORGIA
JUVENILE COURT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 31,000	$ 31,000	$ 14,810	$ (16,190)
Interest income	-	-	39	39
Total revenues	31,000	31,000	14,849	(16,151)
Expenditures:				
Current:				
Judicial	78,000	64,000	19,800	44,200
Total expenditures	78,000	64,000	19,800	44,200
Net changes in fund balances	(47,000)	(33,000)	(4,951)	28,049
Fund balances, beginning of year	33,340	33,340	33,340	-
Fund balances, end of year	$ (13,660)	$ 340	$ 28,389	$ 28,049

FORSYTH COUNTY, GEORGIA
GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 2,052,500	$ 5,387,538	$ 4,647,494	$ (740,044)
Charges for services	38,400	38,400	36,908	(1,492)
Contributions and donations	35,000	35,000	54,179	19,179
Total revenues	2,125,900	5,460,938	4,738,581	(722,357)
Expenditures:				
Current:				
Judicial	564,100	655,091	454,445	200,646
Public safety	323,900	393,148	331,462	61,686
Public works	825,100	4,030,539	3,040,891	989,648
Health and welfare	1,246,900	1,255,552	1,141,219	114,333
Total expenditures	2,960,000	6,334,330	4,968,017	1,366,313
Deficiency of revenues over expenditures	(834,100)	(873,392)	(229,436)	643,956
Other financing sources:				
Transfers in	834,100	856,975	632,448	(224,527)
Total other financing sources	834,100	856,975	632,448	(224,527)
Net changes in fund balances	-	(16,417)	403,012	419,429
Fund balances (deficit), beginning of year	(229,681)	(229,681)	(229,681)	-
Fund balances (deficit), end of year	$ (229,681)	$ (246,098)	$ 173,331	$ 419,429

FORSYTH COUNTY, GEORGIA
INSURANCE PREMIUM TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 8,200,000	$ 8,200,000	$ 9,498,520	$ 1,298,520
Intergovernmental	-	-	283,018	283,018
Fines and forfeitures	-	-	20,650	20,650
Licenses and permits	8,800	8,800	47,708	38,908
Charges for services	-	-	508	508
Interest income	-	-	14,736	14,736
Miscellaneous	1,500	1,500	509	(991)
Total revenues	8,210,300	8,210,300	9,865,649	1,655,349
Expenditures:				
Current:				
Public works	8,680,100	9,497,769	9,299,837	197,932
Total expenditures	8,680,100	9,497,769	9,299,837	197,932
Excess (deficiency) of revenues over expenditures	(469,800)	(1,287,469)	565,812	1,853,281
Other financing sources (uses):				
Transfers in	674,700	837,473	883,399	45,926
Transfers out	(204,900)	(204,900)	-	204,900
Total other financing sources (uses)	469,800	632,573	883,399	250,826
Net changes in fund balances	-	(654,896)	1,449,211	2,104,107
Fund balances, beginning of year	3,900,021	3,900,021	3,900,021	-
Fund balances, end of year	$ 3,900,021	$ 3,245,125	$ 5,349,232	$ 2,104,107

FORSYTH COUNTY, GEORGIA
COUNTY JAIL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Fines and forfeitures	$ 260,000	$ 260,000	$ 250,661	$ (9,339)
Interest income	-	-	480	480
Total revenues	260,000	260,000	251,141	(8,859)
Expenditures:				
Current:				
Public safety	490,000	490,000	19,407	470,593
Total expenditures	490,000	490,000	19,407	470,593
Net changes in fund balances	(230,000)	(230,000)	231,734	461,734
Fund balances, beginning of year	248,533	248,533	248,533	-
Fund balances, end of year	$ 18,533	$ 18,533	$ 480,267	$ 461,734

FORSYTH COUNTY, GEORGIA
HOTEL/MOTEL TAX

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 480,000	$ 598,150	$ 598,149	$ (1)
Total revenues	480,000	598,150	598,149	(1)
Expenditures:				
Current:				
Housing and development	480,000	598,150	598,149	1
Total expenditures	480,000	598,150	598,149	1
Net changes in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

FORSYTH COUNTY, GEORGIA
DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 13,721,942	$ 14,721,942	$ 15,039,471	$ 317,529
Investment income	20,000	23,000	23,903	903
Total revenues	13,741,942	14,744,942	15,063,374	318,432
Expenditures:				
Current:				
General government	5,000	8,000	7,998	2
Debt service:				
Principal	6,410,000	28,858,187	28,710,000	148,187
Interest	8,478,915	8,478,915	8,627,102	(148,187)
Total expenditures	14,893,915	37,345,102	37,345,100	2
Deficiency of revenues over expenditures	(1,151,973)	(22,600,160)	(22,281,726)	318,434
Other financing sources:				
Transfers in	-	22,448,187	22,448,187	-
Total other financing sources	-	22,448,187	22,448,187	-
Net changes in fund balances	(1,151,973)	(151,973)	166,461	318,434
Fund balances, beginning of year	15,568,519	15,568,519	15,568,519	-
Fund balances, end of year	$ 14,416,546	$ 15,416,546	$ 15,734,980	$ 318,434

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST VI - 2008 SPLOST					
Road, street, bridges and sidewalks	$ 108,600,000	$ 102,957,263	$ 97,401,077	$ 956,525	$ 98,357,602
Public safety facilities	17,800,000	12,972,625	3,250,666	1,835,962	5,086,628
Park and recreation facilities	13,500,000	11,137,500	9,347,399	1,067,812	10,415,211
Library facilities	7,200,000	5,940,000	5,694,069	-	5,694,069
Cultural facilities	6,000,000	5,600,000	5,103,123	469,210	5,572,333
Payments to the City of Cumming	6,900,000	6,075,666	6,075,666	-	6,075,666
Total 2008 SPLOST	$ 160,000,000	$ 144,683,054	$ 126,872,000	$ 4,329,509	$ 131,201,509
SPLOST VII - 2013 SPLOST					
Courthouse and Jail Expansion	$ 100,000,000	$ 100,000,000	$ 92,110,824	$ 148,187	$ 92,259,011
Road, street, bridges and sidewalks	76,925,025	76,925,025	9,420,232	27,965,738	37,385,970
Animal Shelter	2,999,975	2,999,975	1,649,844	-	1,649,844
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	750,000	250,000	1,000,000
Payments to the City of Cumming	12,375,000	12,375,000	-	2,282,062	2,282,062
Total 2013 SPLOST	$ 200,000,000	$ 200,000,000	$ 103,930,900	$ 30,645,987	$ 134,576,887
Transfers to Debt Service Fund for principal repayments on bonds issued to fund SPLOST projects				22,300,000	
				$ 57,275,496	

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, 2016

	Risk Management Fund	Employee Health Benefits Fund	Workers' Compensation Fund	Fleet Maintenance Fund	Total
ASSETS					
Current assets:					
Cash	$ 2,330,431	$ 4,294,965	$ 981,251	$ 485	$ 7,607,132
Investments	-	-	2,352,435	-	2,352,435
Receivables	-	17,015	5,083	-	22,098
Inventories	-	-	-	240,306	240,306
Prepaid items	341,368	-	-	-	341,368
Total current assets	2,671,799	4,311,980	3,338,769	240,791	10,563,339
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	-	-	-	991,001	991,001
Less accumulated depreciation	-	-	-	(675,895)	(675,895)
Total capital assets, net of accumulated depreciation	-	-	-	315,106	315,106
Total assets	2,671,799	4,311,980	3,338,769	555,897	10,878,445
LIABILITIES					
Current liabilities:					
Accounts payable	64,245	108,414	32,264	23,842	228,765
Compensated absences, due within one year	5,664	-	-	58,761	64,425
Claims payable, due within one year	187,848	3,476,402	711,683	-	4,375,933
Total current liabilities	257,757	3,584,816	743,947	82,603	4,669,123
Long-term liabilities:					
Compensated absences, due in more than one year	1,416	-	-	14,690	16,106
Claims payable, long term	382,152	-	568,317	-	950,469
Total long-term liabilities	383,568	-	568,317	14,690	966,575
Total liabilities	641,325	3,584,816	1,312,264	97,293	5,635,698
NET POSITION					
Investment in capital assets	-	-	-	315,106	315,106
Unrestricted	2,030,474	727,164	2,026,505	143,498	4,927,641
Total net position	$ 2,030,474	$ 727,164	$ 2,026,505	$ 458,604	$ 5,242,747

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Risk Management Fund	Employee Health Benefits Fund	Workers' Compensation Fund	Fleet Maintenance Fund	Total
OPERATING REVENUES					
Charges for services	$ 1,619,300	$ 22,807,527	$ 897,472	$ 711,154	$ 26,035,453
Insurance recoveries	31,563	-	116,894	-	148,457
Other operating income	-	-	-	1,150	1,150
Total operating revenues	1,650,863	22,807,527	1,014,366	712,304	26,185,060
OPERATING EXPENSES					
Salaries and benefits	257,427	-	-	1,009,458	1,266,885
Supplies and maintenance	-	-	-	187,805	187,805
Claims	1,184,975	21,267,279	1,374,679	-	23,826,933
Insurance premiums	22,356	963,680	-	-	986,036
General and administrative	41,085	576,568	-	-	617,653
Depreciation expense	-	-	-	56,261	56,261
Total operating expenses	1,505,843	22,807,527	1,374,679	1,253,524	26,941,573
Operating income (loss)	145,020	-	(360,313)	(541,220)	(756,513)
NONOPERATING REVENUES					
Investment earnings	3,323	-	21,701	-	25,024
Total nonoperating revenues	3,323	-	21,701	-	25,024
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	148,343	-	(338,612)	(541,220)	(731,489)
Capital contributions	-	-	-	4,965	4,965
Transfers in	-	-	-	500,000	500,000
Total capital contributions and transfers	-	-	-	504,965	504,965
Change in net position	148,343	-	(338,612)	(36,255)	(226,524)
NET POSITION, beginning of year	1,882,131	727,164	2,365,117	494,859	5,469,271
NET POSITION, end of year	$ 2,030,474	$ 727,164	$ 2,026,505	$ 458,604	$ 5,242,747

FORSYTH COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Risk Management Fund	Employee Health Benefits Fund	Workers Compensation Fund	Fleet Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 1,651,338	$ 22,807,527	$ 1,014,366	$ 712,339	$ 26,185,570
Payments to suppliers and service providers	(1,360,581)	(21,716,932)	(1,165,517)	(210,121)	(24,453,151)
Payments to employees	(254,357)	-	-	(1,008,137)	(1,262,494)
Net cash provided (used) by operating activities	36,400	1,090,595	(151,151)	(505,919)	469,925
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchased investments	-	-	(18,227)	-	(18,227)
Interest received	3,323	-	20,633	-	23,956
Net cash provided by investing activities	3,323	-	2,406	-	5,729
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	-	-	-	500,000	500,000
Net cash provided by non-capital financing activities	-	-	-	500,000	500,000
Net increase (decrease) in cash and cash equivalents	39,723	1,090,595	(148,745)	(5,919)	975,654
Cash and cash equivalents:					
Beginning of year	2,290,708	3,204,370	1,129,996	6,404	6,631,478
End of year	$ 2,330,431	$ 4,294,965	$ 981,251	$ 485	$ 7,607,132
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 145,020	$ -	$ (360,313)	$ (541,220)	$ (756,513)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	-	-	-	56,261	56,261
Decrease in accounts receivable	475	625,953	-	35	626,463
Increase in inventory	-	-	-	(36,064)	(36,064)
Increase in prepaids	(46,713)	-	-	-	(46,713)
Increase (decrease) in accounts payable	(5,452)	1,736	(20,838)	13,748	(10,806)
Increase in compensated absences	3,070	-	-	1,321	4,391
Increase (decrease) in claims payable	(60,000)	462,906	230,000	-	632,906
Net cash provided (used) by operating activities	$ 36,400	$ 1,090,595	$ (151,151)	$ (505,919)	$ 469,925
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions of capital assets	$ -	$ -	$ -	$ 4,965	$ 4,965

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, 2016

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Juvenile Court	Total
Cash	$ 4,803,038	$ 237,335	$ 3,555,170	$ 18,574	$ 39,532	$ 847	$ 8,654,496
Other receivables	73	-	-	-	-	-	73
Taxes receivable	8,178,043	-	-	-	-	-	8,178,043
Total assets	$ 12,981,154	$ 237,335	$ 3,555,170	$ 18,574	$ 39,532	$ 847	$ 16,832,612
LIABILITIES							
Due to others	$ 4,803,111	$ 237,335	$ 3,555,170	$ 18,574	$ 39,532	$ 847	$ 8,654,569
Uncollected taxes	8,178,043	-	-	-	-	-	8,178,043
Total liabilities	$ 12,981,154	$ 237,335	$ 3,555,170	$ 18,574	$ 39,532	$ 847	$ 16,832,612

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Tax Commissioner				
ASSETS				
Cash	$ 4,879,938	$ 332,192,235	$ (332,269,135)	$ 4,803,038
Other receivables	1,236	73	(1,236)	73
Taxes receivable	6,844,551	184,798,281	(183,464,789)	8,178,043
Total assets	$ 11,725,725	$ 516,990,589	$ (515,735,160)	$ 12,981,154
LIABILITIES				
Due to others	$ 4,881,174	$ 332,192,308	$ (332,270,371)	$ 4,803,111
Uncollected taxes	6,844,551	184,798,281	(183,464,789)	8,178,043
Total liabilities	$ 11,725,725	$ 516,990,589	$ (515,735,160)	$ 12,981,154
Sheriff				
ASSETS				
Cash	$ 219,056	$ 2,802,189	$ (2,783,910)	$ 237,335
Total assets	$ 219,056	$ 2,802,189	$ (2,783,910)	$ 237,335
LIABILITIES				
Due to others	$ 219,056	$ 2,802,189	$ (2,783,910)	$ 237,335
Total liabilities	$ 219,056	$ 2,802,189	$ (2,783,910)	$ 237,335
Clerk of Superior Court				
ASSETS				
Cash	$ 4,244,533	$ 22,476,355	$ (23,165,718)	$ 3,555,170
Total assets	$ 4,244,533	$ 22,476,355	$ (23,165,718)	$ 3,555,170
LIABILITIES				
Due to others	$ 4,244,533	$ 22,476,355	$ (23,165,718)	$ 3,555,170
Total liabilities	$ 4,244,533	$ 22,476,355	$ (23,165,718)	$ 3,555,170

(Continued)

FORSYTH COUNTY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

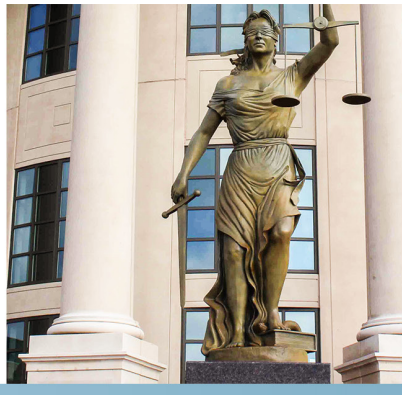
	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Probate Court				
ASSETS				
Cash	$ 51,617	$ 996,602	$ (1,029,645)	$ 18,574
Total assets	$ 51,617	$ 996,602	$ (1,029,645)	$ 18,574
LIABILITIES				
Due to others	$ 51,617	$ 996,602	$ (1,029,645)	$ 18,574
Total liabilities	$ 51,617	$ 996,602	$ (1,029,645)	$ 18,574
Magistrate Court				
ASSETS				
Cash	$ 25,115	$ 653,665	$ (639,248)	$ 39,532
Total assets	$ 25,115	$ 653,665	$ (639,248)	$ 39,532
LIABILITIES				
Due to others	$ 25,115	$ 653,665	$ (639,248)	$ 39,532
Total liabilities	$ 25,115	$ 653,665	$ (639,248)	$ 39,532
Juvenile Court				
ASSETS				
Cash	$ 1,081	$ 31,221	$ (31,455)	$ 847
Total assets	$ 1,081	$ 31,221	$ (31,455)	$ 847
LIABILITIES				
Due to others	$ 1,081	$ 31,221	$ (31,455)	$ 847
Total liabilities	$ 1,081	$ 31,221	$ (31,455)	$ 847
Total Agency Funds				
ASSETS				
Cash	$ 9,421,340	$ 359,152,267	$ (359,919,111)	$ 8,654,496
Other receivables	1,236	73	(1,236)	73
Taxes receivable	6,844,551	184,798,281	(183,464,789)	8,178,043
Total assets	$ 16,267,127	$ 543,950,621	$ (543,385,136)	$ 16,832,612
LIABILITIES				
Due to others	$ 9,422,576	$ 359,152,340	$ (359,920,347)	$ 8,654,569
Uncollected taxes	6,844,551	184,798,281	(183,464,789)	8,178,043
Total liabilities	$ 16,267,127	$ 543,950,621	$ (543,385,136)	$ 16,832,612

FORSYTH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - PUBLIC FACILITIES AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2016

EXPENDITURES		
Intergovernmental:		
Payment to Forsyth County Board of Education	$	30,000,000
Debt service:		
Bond issuance costs		293,992
Total expenditures		30,293,992
OTHER FINANCING SOURCES		
Issuance of bonds		25,320,000
Original issue premium		4,973,992
Total other financing sources		30,293,992
Net change in fund balance		-
FUND BALANCE, beginning of year		-
FUND BALANCE, end of year	$	-





2016 COMPREHENSIVE

ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

2016 COMPREHENSIVE
ANNUAL FINANCIAL REPORT

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.

Table

Financial Trends

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

Net Position by Component 1
Changes in Net Position 2
Fund Balances of Governmental Funds 3
Changes in Fund Balances of Governmental Funds 4
General Governmental Tax Revenues by Source 5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources: property taxes and water and sewer charges for services.

Assessed Value and Estimated Actual Value of Taxable Property 6
Property Tax Rates (Direct and Overlapping Governments) 7
Principal Property Taxpayers 8
Property Tax Levies and Collections 9A
Top 10 Water Customers 9B
Top 10 Sewer Customers 9C
Water System Rates, Fees and Charges 9D

Debt Capacity

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.

Ratios of Outstanding Debt by Type 10
Other Long-term Liabilities 10A
Ratios of General Bonded Debt Outstanding 11
Direct and Overlapping Governmental Activities Debt 12
Legal Debt Margin 13
Pledged-Revenue Coverage 14

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

STATISTICAL SECTION

Table

Demographic and Economic Information

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

Demographic and Economic Statistics **15**
Principal Employers **16**

Operating Information

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.

Full-time County Government Employees by Function **17**
Operating Indicators by Function **18**
Capital Asset Statistics by Function **19**
Water System Statistics **20**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

FORSYTH COUNTY, GEORGIA

TABLE 1
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 657,742	$ 699,078	$ 693,335	$ 697,529	$ 756,006	$ 754,041	$ 773,963	$ 824,767	$ 868,626	$ 961,421
Restricted:										
Debt service	6,498	7,446	23,355	28,451	29,941	30,184	20,285	18,462	15,629	15,823
Capital projects	10,921	20,312	31,777	35,147	47,647	41,721	47,890	41,157	53,502	10,264
Impact fee programs	12,429	12,343	-	-	-	-	-	-	-	-
Public safety programs	1,391	1,851	-	-	6,796	8,240	8,503	8,783	8,594	8,484
Public works	-	-	-	-	-	-	1,937	3,021	-	-
Judicial programs	133	46	-	-	251	249	134	119	90	94
Jail construction	-	-	-	-	408	324	233	105	-	-
Grant projects	-	-	-	-	56	12	4	-	-	-
Unrestricted:	35,991	23,912	28,316	45,012	36,368	47,822	67,414	73,670	31,945	30,637
Total governmental activities net position	$ 725,105	$ 764,988	$ 776,783	$ 806,139	$ 877,473	$ 882,593	$ 920,363	$ 970,084	$ 978,386	$ 1,026,723
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 236,780	$ 236,145	$ 275,887	$ 281,932	$ 289,344	$ 291,107	$ 291,107	$ 312,319	$ 329,049	$ 358,440
Restricted	2,418	4,075	4,142	4,207	4,259	4,315	4,315	4,326	3,859	3,939
Unrestricted	57,755	45,253	35,317	41,135	43,590	52,846	52,846	53,336	75,501	91,475
Total business-type activities net position	$ 296,953	$ 285,473	$ 315,346	$ 327,274	$ 337,193	$ 348,268	$ 348,268	$ 369,981	$ 408,409	$ 453,854
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 894,522	$ 935,223	$ 969,222	$ 979,461	$ 1,045,350	$ 1,045,148	$ 1,065,070	$ 1,137,086	$ 1,197,675	$ 1,319,861
Restricted	33,790	46,073	59,274	67,805	89,358	85,045	83,301	75,973	81,675	38,604
Unrestricted	93,746	69,165	63,633	86,147	79,958	100,668	120,260	127,006	107,445	122,112
Total primary government net position	$ 1,022,058	$ 1,050,460	$ 1,092,129	$ 1,133,413	$ 1,214,666	$ 1,230,861	$ 1,268,631	$ 1,340,065	$ 1,386,795	$ 1,480,577

From: Statement of Net Position

FORSYTH COUNTY, GEORGIA

TABLE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXPENSES										
Governmental activities:										
General Government	$ 37,603	$ 29,262	$ 17,246 (1)	$ 14,181	$ 12,658	$ 13,558	$ 20,445	$ 27,209	$ 27,515	$ 27,992
Judicial	10,678	11,679	11,618	11,271	11,276	12,536	11,888	13,360	14,053	14,827
Public Safety	50,289	62,991	61,072	57,674	59,341	63,465	58,783	62,404	67,785	75,028
Public Works	9,289	16,198	15,913	15,791	15,133	21,510	25,269	19,105	58,197	30,155
Health and Welfare	2,409	3,059	2,483	2,529	3,108	3,131	2,686	2,767	2,756	3,128
Culture and Recreation	12,081	13,568	15,689	13,524	12,877	15,332	14,243	16,743	16,725	17,268
Housing and Development	6,759	7,168	5,717	4,460	4,197	4,466	7,305	4,643	5,190	5,977
Interest and paying agent fees	1,828	2,043	6,400 (2)	6,360	6,207	5,860	5,353	5,723	8,136	6,792
Total governmental activities expenses	130,936	145,968	136,138	125,790	124,797	139,858	145,972	151,954	200,357	181,167
Business-type activities:										
Water and sewer	39,617	38,322	32,521	32,283	31,457	34,220	39,159	43,383	40,898	44,664
Solid waste	557	985	599	671	789	705	672	792	875	995
Total business-type activities expenses	40,174	39,307	33,120	32,954	32,246	34,925	39,831	44,175	41,773	45,659
Total primary government expenses	$ 171,110	$ 185,275	$ 169,258	$ 158,744	$ 157,043	$ 174,783	$ 185,803	$ 196,129	$ 242,130	$ 226,826
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General Government	$ 14,886	$ 11,699	$ 6,472	$ 5,896	$ 6,232	$ 6,027	$ 6,000	$ 5,947	$ 7,030	$ 8,903
Judicial	4,375	4,184	4,553	4,367	4,487	4,566	4,719	4,657	5,133	5,127
Public Safety	6,185	6,280	5,194	5,221	4,868	4,699	4,787	5,286	4,766	4,967
Public Works	20	181	1,132	1,938	2,101	4,167	4,873	4,768	5,420	6,375
Health and Welfare	8	26	67	69	92	144	151	81	76	74
Culture and Recreation	1,534	1,816	1,868	1,849	1,895	2,266	2,543	2,644	2,639	2,668
Housing and Development	364	381	2,588	2,800	2,845	3,764	4,495	5,202	5,708	5,822
Total charges for services	27,372	24,567	21,874	22,140	22,520	25,633	27,568	28,585	30,772	33,936
Operating grants and contributions	1,778	1,784	3,084	1,347	1,283	1,343	1,658	3,736	2,694	2,190
Capital grants and contributions	58,620	43,006	3,967 (3)	6,200	35,503	5,365	12,055	18,186	23,119	19,743
Total governmental activities program revenues	87,770	69,357	28,925	29,687	59,306	32,341	41,281	50,507	56,585	55,869
Business-type activities:										
Charges for services:										
Water and sewer	41,677	20,150	28,408	30,156	32,179	32,521	33,649	34,773	39,582	45,704
Solid waste	608	929	1,492	1,227	1,803	1,461	1,919	2,027	2,081	2,319
Total charges for services	42,285	21,079	29,900	31,383	33,982	33,982	35,568	36,800	41,663	48,023
Operating grants and contributions	8	12	-	-	-	-	-	-	-	-
Capital grants and contributions	26,100	15,548	5,565	28,019	9,695	13,088	15,699	29,343	38,806	45,429
Total business-type activities program revenues	68,393	36,639	35,465	59,402	43,677	47,070	51,267	66,143	80,469	93,452
Total primary government program revenues	$ 156,163	$ 105,996	$ 64,390	$ 89,089	$ 102,983	$ 79,411	$ 92,548	$ 116,650	$ 137,054	$ 149,321

(continued)

FORSYTH COUNTY, GEORGIA

TABLE 2
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	$ (43,166)	$ (76,611)	$ (107,213)	$ (96,103)	$ (65,491)	$ (107,517)	$ (104,691)	$ (101,447)	$ (143,772)	$ (125,298)
Business-type activities	28,219	(2,668)	2,345	26,448	11,431	12,145	11,436	21,968	38,696	47,793
Total primary government net expense	$ (14,947)	$ (79,279)	$ (104,868)	$ (69,655)	$ (54,060)	$ (95,372)	$ (93,255)	$ (79,479)	$ (105,076)	$ (77,505)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property Taxes	$ 42,310	$ 49,433	$ 63,209	$ 66,473	$ 70,006	$ 67,763	$ 65,424	$ 65,927	$ 70,365	$ 81,779
Sales Taxes	59,680	54,334	46,539	50,635	54,243	57,422	57,337	62,001	64,061	66,721
Insurance premium taxes	4,572	4,683	4,616	4,489	7,114	7,600	7,899	8,336	8,926	9,499
Real estate and recording taxes	2,885	2,012	-	-	-	-	-	-	-	-
Other taxes (old)	2,817	2,971	-	-	-	-	-	-	-	-
Other taxes	5,702	4,983	-	2,898	3,154	3,489	9,854	12,990	13,774	13,028
Total taxes	112,264	113,433	114,364	124,495	134,517	136,274	140,514	149,254	157,126	171,027
Unrestricted grants and contributions	1,467	1,667	-	-	-	-	-	-	-	-
Investment earnings	5,014	2,684	1,069	1,149	980	749	668	775	787	1,091
Miscellaneous	-	-	2,673	520	1,327	784	673	673	723	786
Gain on sale of capital assets	56	103	-	-	-	-	108	-	-	-
Transfers	-	-	-	-	-	500	500	465	500	733
Total governmental activities	118,801	117,887	118,106	126,164	136,824	138,307	142,463	151,167	159,136	173,637
Business-type activities:										
Investment earnings	3,509	3,460	594	777	497	231	139	210	179	518
Miscellaneous	-	-	-	2	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	239	-	-	-	31
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	(500)	(500)	(465)	(500)	(733)
Total business-type activities	3,509	3,460	594	779	497	(30)	(361)	(255)	(321)	(184)
Total primary government	$ 122,310	$ 121,347	$ 118,700	$ 126,943	$ 137,321	$ 138,277	$ 142,102	$ 150,912	$ 158,815	$ 173,453
CHANGE IN NET POSITION										
Governmental activities	$ 75,635	$ 41,276	$ 10,893 (3)	$ 30,061	$ 71,333	$ 30,790	$ 37,772	$ 49,720	$ 15,364	$ 48,339
Business-type activities	31,728	792	2,939	27,227	11,928	12,115	11,075	21,713	38,375	47,609
Total primary government	$ 107,363	$ 42,068	$ 13,831	$ 57,288	$ 83,261	$ 42,905	$ 48,847	$ 71,433	$ 53,739	$ 95,948

(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

TABLE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011 (3)	2012	2013	2014	2015	2016
General fund										
Reserved	$ 651	$ 173	$ 14,736 (1)	$ 22,925	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	33,083	27,026	- (1)	4,548	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	5	161	178	55	42	180
Inventory	-	-	-	-	275	374	378	331	405	417
Long term advances	-	-	-	-	-	-	3,531	3,531	6,871	-
Restricted:										
Grant projects	-	-	-	-	48	12	4	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	60
Committed:										
Tree replacement	-	-	-	-	23	18	51	63	38	95
Paving expenditures	-	-	-	-	222	526	561	-	-	-
Assigned:										
Use of fund balance in subsequent budget	-	-	-	-	1,046	54	75	77	236	308
Use of fund balance for City road improvements	-	-	-	-	-	3,500	-	-	-	-
Professional services	-	-	-	-	42	136	213	129	510	76
Capital projects	-	-	-	-	747	444	712	229	1,262	179
Supplies and materials	-	-	-	-	5	19	139	342	243	7
Health insurance administration	-	-	-	-	-	69	50	-	-	-
Unassigned	-	-	-	-	35,483	38,980	41,512	46,694	43,451	52,865
Total general fund	33,734	27,199	14,736	27,473	37,896	44,293	47,404	51,451	53,058	54,186

Continued

FORSYTH COUNTY, GEORGIA

TABLE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011 (3)	2012	2013	2014	2015	2016
All other governmental funds										
Reserved	$ 30,361	$ 127,499	$ 106,055 (2)	$ 97,532	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, designated	-	-	8,300	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	669	1,883	1,935	4,988	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	(8,597)	(7,123)	417	184	-	-	-	-	-	-
Nonspendable:										
Prepaids	-	-	-	-	-	6	6	-	-	70
Inventory	-	-	-	-	387	369	380	362	383	323
Long-term advances	-	-	-	-	97	48	-	-	-	-
Restricted:										
Judicial services	-	-	-	-	251	249	134	119	90	94
Public safety services	-	-	-	-	6,796	8,103	8,372	8,647	8,101	8,001
Public works	-	-	-	-	-	-	1,937	3,021	-	-
Grant projects	-	-	-	-	8	-	-	-	-	-
Capital projects	-	-	-	-	59,971	60,247	77,029	68,521	125,364	85,584
Jail construction and equipping	-	-	-	-	408	324	233	104	-	-
Debt service	-	-	-	-	29,941	30,118	20,232	18,403	15,569	15,735
Assigned for capital projects	-	-	-	-	-	209	20,307	22,113	23,469	23,351
Unassigned	-	-	-	-	-	1,923	(276)	(2,433)	(230)	(1,331)
Total all other governmental funds	22,433	122,259	116,707	102,704	97,859	101,596	128,354	118,857	172,746	131,827
Total all funds	$ 56,167	$ 149,458	$ 131,443	$ 130,177	$ 135,755	$ 145,889	$ 175,758	$ 170,308	$ 225,804	$ 186,013

(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 implemented GASB Statement No. 54 for the year ending December 31, 2011.

FORSYTH COUNTY, GEORGIA

TABLE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Taxes (see table 5)	$ 112,195	$ 112,641	$ 116,381	$ 124,817	$ 134,633	$ 136,607	$ 140,547	$ 149,249	$ 157,188	$ 170,877
Licenses and permits	11,023	6,818	3,784	4,074	4,365	5,280	5,856	6,286	6,855	6,990
Intergovernmental	6,506	7,495	5,248	2,882	4,231	3,326	9,083	3,672	9,817	5,359
Fines and forfeitures	3,376	4,719	4,089	3,930	3,329	3,349	3,210	4,012	3,663	3,459
Charges for services	12,012	12,996	13,751	14,065	14,756	16,934	18,432	18,287	20,254	23,486
Contributions and donations	9,180	3,324	140	82	69	71	53	77	868	91
Investment earnings	3,936	2,459	1,377	1,192	1,004	778	713	824	824	1,110
Miscellaneous	505	484	2,743	1,074	1,527	854	743	704	723	986
Total revenues	158,733	150,935	147,513	152,116	163,914	167,199	178,637	183,111	200,192	212,358
EXPENDITURES										
General government	10,328	13,396	15,216	10,742	11,075	11,294	19,834	20,418	23,754	23,242
Judicial	10,183	10,539	11,107	10,942	11,599	12,288	11,685	12,416	13,104	13,580
Public safety	48,417	54,340	56,003	54,706	59,103	59,578	56,524	59,537	65,260	69,413
Public works	7,701	6,610	6,616	5,473	5,989	12,374	14,571	8,999	15,486	17,655
Public health and welfare	2,307	2,678	2,410	2,499	3,051	3,094	2,694	2,653	2,613	2,999
Recreation and culture	11,734	12,022	12,095	11,563	12,245	14,152	15,289	14,262	13,879	14,067
Housing and development	6,389	6,311	5,478	4,356	4,324	4,691	7,357	4,717	5,153	5,784
Intergovernmental	13,145	13,889	-	1,165	1,250	1,322	647	183	35,262	2,532
Capital Outlay	63,472	56,110	54,731	34,578	32,290	23,014	29,400	85,051	44,200	73,188
Principal on long-term debt	1,098	1,343	1,405	10,070	10,870	11,750	12,655	4,801	32,442	28,748
Interest and paying agent fees	1,576	1,518	5,670	7,198	6,736	6,480	5,231	5,594	6,407	9,046
Bond issuance costs	-	834	-	-	-	-	-	-	811	-
Total expenditures	176,350	179,590	170,731	153,292	158,532	160,037	175,887	218,631	258,371	260,255
Excess of revenues over (under) expenditures	(17,617)	(28,655)	(23,218)	(1,176)	5,382	7,162	2,750	(35,520)	(58,179)	(47,897)

(continued)

FORSYTH COUNTY, GEORGIA

TABLE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OTHER FINANCING SOURCES (USES)										
Sale of County Property	56	290	89	32	196	28	276	6	250	2
Transfers in	17,268	6,017	12,023	20,668	11,008	20,361	14,747	15,598	44,274	36,116
Transfers out	(17,196)	(5,691)	(12,023)	(20,668)	(11,008)	(17,695)	(11,628)	(15,133)	(44,064)	(35,883)
Capital leases	-	-	-	-	-	-	-	-	-	7,870
Proceeds from bond refunding	-	-	-	-	-	20,960	21,231	29,599	60,315	-
Proceeds from general obligation bond	-	118,000	-	-	-	-	-	-	96,165	-
Premium on bonds issued	-	3,330	-	-	-	-	2,493	-	30,645	-
Payments to refunded bond escrow agent	-	-	-	-	-	(20,682)	-	-	(73,908)	-
Total other financing sources (uses)	128	121,946	89	32	196	2,972	27,119	30,070	113,677	8,105
Net change in fund balances	$ (17,489)	$ 93,291	$ (23,129)	$ (1,144)	$ 5,578	$ 10,134	$ 29,869	$ (5,450)	$ 55,498	$ (39,791)
Debt service as a percentage of noncapital expenditures	2.4%	3.0%	6.1%	14.6%	14.3%	13.6%	12.7%	8.0%	19.3%	20.6%

FORSYTH COUNTY, GEORGIA

TABLE 5
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
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
2015	70,425	64,061	8,948	8,926	4,826	157,186
2016	81,628	66,721	7,994	9,499	5,035	170,877

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

TABLE 6
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
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%
2016	2015	7,685,610	197,395	1,284,324	89,457	675,748	400,864	11,031	54,673	555,427	679,963	9,163,712	8.036	22,909,280	40.00%
2017	2016	8,350,070	202,673	1,318,592	86,704	686,910	298,089	10,736	54,696	561,201	770,313	9,676,956	8.036	24,192,390	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

TABLE 7
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
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
2016	2015	4.642	1.975	1.419	8.036	17.300	2.418	19.718	0.050	27.804
2017	2016	4.642	1.975	1.419	8.036	17.300	2.418	19.718	0.050	27.804

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

TABLE 8
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
December 31, 2016
(amounts expressed in thousands)

		2016			2007		
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	$ 58,498	1	0.60%	$ 42,698	1	0.52%
Forsyth Owner 1 LP	Shopping Complex	46,908	2	0.48%			
United Parcel Service	Mail Delivery Service	33,381	3	0.34%	11,371	8	0.14%
Georgia Transmission Corp	Power Transfer Utility	27,141	4	0.28%	21,911	2	0.27%
DDR Winter Garden LLC	Real Estate Development	22,737	5	0.23%	-		0.00%
Lennar Georgia Inc.	Real Estate Development	22,330	6	0.23%	-		0.00%
Mar Windemere LP	Real Estate Development	17,834	7	0.18%	-		0.00%
Ryland Group Inc.	Real Estate Development	16,959	8	0.18%	-		0.00%
Scientific Games, Inc.	Lottery Ticket Printing	15,188	9	0.16%	16,166	5	0.20%
Oxford Summit Partners LLC	Real Estate Development	14,842	10	0.15%	-		0.00%
Orkin Sanford	Developer	-		0.00%	18,194	3	0.22%
Bellsouth Telecommunications	Telephone Utility	-		0.00%	16,421	4	0.20%
Tramel Road, LLC	Developer	-		0.00%	13,190	6	0.16%
Solvay Advanced Polymers, LLC	Industrial Products	-		0.00%	12,567	7	0.15%
Hendon/Atlantic Rim John Creek, LLC	Real Estate	-		0.00%	11,168	9	0.14%
Pulte Home Corporation	Home Builders	-		0.00%	11,039	10	0.13%
Totals		$ 275,818		2.85%	$ 174,725		1.99%

Source: Forsyth County Tax Commissioner

FORSYTH COUNTY, GEORGIA

TABLE 9A
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	
2008	2007	11/15/07	$ 48,722	$ 1,275	$ 1,250	$ 51,247	$ 47,192	96.86%	$ 4,027	$ 51,219	99.95%	$ 28
2009	2008	11/15/08	60,011	1,094	1,405	62,510	54,665	91.09%	7,712	62,377	99.79%	133
2010	2009	11/15/09	62,417	(534)	189	62,072	57,274	91.76%	4,026	61,300	98.76%	772
2011	2010	11/15/10	66,880	(717)	262	66,425	62,299	93.15%	3,769	66,068	99.46%	357
2012	2011	11/15/11	64,220	(560)	206	63,866	60,935	94.88%	2,694	63,629	99.63%	237
2013	2012	11/15/12	62,782	(580)	149	62,351	59,802	95.25%	2,363	62,165	99.70%	186
2014	2013	11/15/13	63,593	(559)	150	63,184	61,239	96.30%	1,783	63,022	99.74%	162
2015	2014	11/15/14	66,304	9	103	66,416	64,430	97.17%	1,726	66,156	99.61%	260
2016	2015	11/15/15	77,541	(764)	111	76,888	74,248	95.75%	2,355	76,603	99.63%	285
2017	2016	11/15/16	82,227	(427)	52	81,852	78,873	95.92%	-	78,873	96.36%	2,979

Source: Forsyth County Tax Commissioner's Office

Note:
Taxes levied during the calendar year 2016 are recorded as revenues in the financial statements in 2017 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

TABLE 9B
TOP 10 WATER CUSTOMERS
December 31, 2016

Customer Name	Business	Gallons Metered	Total Water Billed	% of Total Billings
Bluegrass Materials Company (formerly Argos Ready Mix LLC)	Construction	29,860,300	$ 116,762	0.42%
Pine Ridge Associates LLC	Private Water System	15,382,500	58,649	0.21%
Forsyth Owners 1 LP	Commercial Developer	13,094,050	51,801	0.18%
TS Big Creek LLC	Apartments	12,096,800	48,151	0.17%
Scientific Games	Manufacturing	11,862,600	70,607	0.25%
MAR Windermere LP	Apartments	11,590,210	48,908	0.17%
Summit Crossing Apartments	Apartments	11,311,600	47,459	0.17%
A&A Water Company LLC - Parks Rd	Private Water System	8,475,300	31,843	0.11%
Argos Ready Mix	Construction	8,336,700	31,328	0.11%
Lan Mar Marina Inc	Marina	7,665,400	28,831	0.10%
All other customers			27,487,274	98.09%
Total Billing			$ 28,021,613	

FORSYTH COUNTY, GEORGIA

TABLE 9C
TOP 10 SEWER CUSTOMERS
December 31, 2016

Customer Name	Business	Gallons Metered	Total Sewer Billed	% of Total Billings
Forsyth Owners 1 LP	Commercial Developer	13,094,050	$ 63,855	0.41%
TS Big Creek LLC	Apartments	12,096,800	59,029	0.38%
Scientific Games	Manufacturing	11,862,600	45,900	0.30%
MAR Windermere LP	Apartments	11,590,210	56,817	0.37%
Summit Crossing Apartments	Apartments	11,311,600	53,684	0.35%
Forsyth County Schools - James Burgess Rd	School System	7,674,940	37,627	0.24%
Solvay Specialty Polymers USA	Manufacturing	6,644,560	32,880	0.21%
Reagan Big Creek	Apartments	6,458,900	31,741	0.20%
Park @ Johns Creek	Apartments	5,487,340	27,039	0.17%
Amelia Bay	Manufacturing	4,575,300	22,384	0.14%
All other customers			15,118,460	97.23%
Total Billing			$ 15,549,416	

FORSYTH COUNTY, GEORGIA

TABLE 9D
WATER SYSTEM RATES, FEES AND CHARGES
December 31, 2016

METER SIZE (1)	TAP FEE EXISTING LINES	TAP FEE UNDER CONSTRUCTION	MINIMUM MONTHLY CHARGES
5/8	$ 1,600	$ 250	$ 12
3/4	1,800	850	12
1	3,300	NA	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

TABLE 10
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	Capital Leases (2)	Notes Payable	Total	Revenue Bonds (2)	Notes Payable	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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
2015	241,561	7,897	-	249,458	207,833	6,699	214,532	463,990	5.30%	2,184
2016	209,672	15,729	-	225,401	201,160	6,434	207,594	432,995	4.94%	1,959

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) Includes Certificates of Participation.

FORSYTH COUNTY, GEORGIA

TABLE 10A
OTHER LONG-TERM LIABILITIES
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

	Governmental Activities					Business-Type Activities					
Fiscal Year	Compensated Absences	OPEB (1) Obligation	Claims Payable	Net Pension Liability	Total	Compensated Absences	Landfill Closure / Postclosure	Total	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2007	$ 4,552	$ -	$ -	$ -	$ 4,552	$ -	$ 2,343	$ 2,343	$ 6,895	0.11%	$ 44
2008	5,306	105	2,175	-	7,586	-	2,700	2,700	10,286	0.15%	64
2009	5,162	200	1,970	-	7,332	396	2,021	2,417	9,749	0.15%	56
2010	6,700	373	2,010	-	9,083	460	1,943	2,403	11,486	0.17%	64
2011	4,623	546	2,070	-	7,239	389	1,859	2,248	9,487	0.13%	52
2012	5,460	731	2,230	-	8,421	437	1,793	2,230	10,651	0.13%	57
2013	5,498	731	2,360	-	8,589	470	1,718	2,188	10,777	0.13%	55
2014	5,980	243	4,160	-	10,383	533	1,634	2,167	12,550	0.14%	61
2015	7,056	347	4,693	5,511	17,607	618	1,676	2,294	19,901	0.23%	94
2016	7,148	7	5,326	4,954	17,435	617	1,717	2,334	19,769	0.23%	89

Note: Details regarding the County's long-term liabilities can be found in the notes to the financial statements.
(1) Other Post-Employment Benefit (OPEB).

FORSYTH COUNTY, GEORGIA

TABLE 11
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)
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
2015	241,561	15,569	225,992	0.99%	1,064
2016	209,672	15,735	193,937	0.80%	878

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

TABLE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
as of December 31, 2016
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Overlapping			
Forsyth County School District	$ 440,942	100.00%	$ 440,942
Forsyth County direct debt	225,401	100.00%	225,401
Total direct and overlapping debt	$ 666,343		$ 666,343

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

TABLE 13
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed value of property	$ 9,466,859	$ 10,279,985	$ 10,343,165	$ 9,898,929	$ 9,239,290	$ 8,927,173	$ 8,788,357	$ 9,266,966	$ 10,840,629	$ 11,008,470
Debt limit (10% of total assessed value)	946,686	1,027,999	1,034,317	989,893	923,929	892,717	878,836	926,697	1,084,063	1,100,847
Amount of Debt applicable to limit:										
General obligation bonds	31,820	148,685	147,280	137,210	126,340	116,395	128,277	152,756	241,561	181,000
Less: Resources restricted to paying principal	(7,010)	(8,406)	(23,355)	(28,308)	(29,941)	(30,118)	(20,232)	(18,403)	(15,569)	(15,735)
Total net debt applicable to limit	24,810	140,279	123,925	108,902	96,399	86,277	108,045	134,353	225,992	165,265
Legal debt margin	$ 921,876	$ 887,720	$ 910,392	$ 880,991	$ 827,530	$ 806,440	$ 770,791	$ 792,344	$ 858,071	$ 935,582
Total net debt applicable to the limit as a percentage of debt limit	2.62%	13.65%	11.98%	11.00%	10.43%	9.66%	12.29%	14.50%	20.85%	15.01%

FORSYTH COUNTY, GEORGIA

TABLE 14
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	
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
2015	39,582,134	23,482,300	16,099,834	4,030,000	4,746,872	8,776,872	1.83
2016	45,703,537	27,983,490	17,720,047	5,085,000	7,383,455	12,468,455	1.42

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

TABLE 15
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		
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%
2015	212,438	8,758,500	41,228	37	91.6%	44.6%	44,286	4.40%
2016	221,009	8,760,500	39,639	38	92.0%	45.6%	46,238	4.50%

Data sources:

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

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

(1) Personal income statistics provided by BEA.

FORSYTH COUNTY, GEORGIA

TABLE 16
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2016			2007		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Forsyth County Schools	4,654	1	5.75%			
Northside Hospital - Forsyth	2,400	2	2.96%			
Koch Foods	1,400	3	1.73%			
Forsyth County Government	1,297	4	1.60%			
Scientific Games International, Inc.	1,100	5	1.36%	1468	1	1.78%
Tyson Foods, Inc.	1,100	6	1.36%			
Siemens Industry, Inc.	1,000	7	1.23%	734	2	0.89%
Wal-Mart Supercenter	400	8	0.49%	300	6	0.36%
L3 Communications	400	9	0.49%	295	8	0.36%
American Boa	281	10	0.35%	312	5	0.38%
Hansgrohe				402	3	0.49%
FATS, Inc.				328	4	0.40%
Arris International				299	7	0.36%
Solvay Advanced Polymer				224	9	0.27%
Intelligent Switchgear				211	10	0.26%
All other employers	66,966		82.68%	77,718		94.44%
Total	80,998		100.00%	82,291		100.00%

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

FORSYTH COUNTY, GEORGIA

TABLE 17
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	Full-time Equivalent Employees as of December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
General Government (1)	204	202	173	168	170	172	171	187	195	200
Judicial	103	106	108	108	119	124	116	110	115	125
Public Health and Welfare	22	25	23	25	27	28	29	29	22	35
Public Safety										
Police	349	381	367	366	367	373	331	328	358	395
Officers	349	381	367	289	285	295	273	268	302	332
Civilians	43	54	57	77	82	78	58	60	56	63
Fire	154	153	140	148	148	145	151	172	166	192
Firefighters and officers	154	153	140	140	140	138	145	166	160	184
Civilians	8	9	9	8	8	7	6	6	6	7
E-911 and Coroners Office	37	42	41	38	37	38	38	41	39	40
Public Works	83	87	80	77	77	79	78	76	77	80
Recreation and Culture	65	64	60	59	60	64	63	65	67	71
Housing and Development	67	65	38	34	35	37	39	47	42	51
Solid Waste	10	9	9	9	9	9	7	6	8	9
Water & Sewer	84	83	74	73	71	74	74	78	78	99
Total	1,178	1,217	1,113	1,105	1,120	1,143	1,097	1,139	1,167	1,297

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

TABLE 18
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sheriff										
Physical arrests	6,202	6,251	6,163	5,337	5,032	4,523	4,528	4,920	(3)	(3)
Traffic violations	30,608	36,412	37,305	39,791	30,024	17,140 (1)	11,357 (1)	12,985	(3)	(3)
Fire										
Number of calls answered	10,530	11,075	10,934	11,530	11,566	12,361	12,738	12,799	13,283	13,873
Inspections	4,959	3,948	2,707	3,556	3,897	3,056	2,280	3,422	5,918	7,608
Highways and streets										
Street resurfacing (miles)	57	64	69	80	60	73	46	49	57	65
Potholes repaired	357	420	503	502	305	322	397	558	235	389
Sanitation										
Refuse collected (tons/day)	6	6	6	6	6	6	6	5	6	6
Recyclables collected (tons/day)	4	6	6	5	6	6	6	5	8	5
Water										
New connections	2,570	630	591	894	1,043	1,603	2,064	2,120	2,556	2,282
Water mains breaks	66	66	54	52	72	61	48	60	60	91
Average daily consumption (thousands of gallons)	10,755	9,197	9,998	11,650	12,160	11,900	10,750	11,998	12,830	15,210
Wastewater										
Average daily sewage treatment (thousands of gallons)	3,461	3,982	3,805	4,124	3,900	3,700	2,740	2,553	2,894	3,222

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.

(3) Information is not available for 2015 or 2016.

FORSYTH COUNTY, GEORGIA

TABLE 19
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Sheriff:										
Precincts	2	2	2	2	2	2	2	2	2	2
Number of vehicles	247	292	318	317	338	338	324	316	374	391
Fire:										
Stations	15	15	13	13	13	13	12	12	12	12
Number of vehicles	64	66	66	67	63	65	66	90	76	95
Highways and streets										
Streets (miles)	1,104	1,143	1,145	1,095	1,099	1,109	1,114	1,128	1,157	1,169
Streetlights	-	-	-	-	-	22	22	33	66	50
Traffic signals	49	54	61	65	71	70	70	71	71	69
Culture and recreation										
Parks acreage	1,642	1,642	2,500	2,600	3,250	3,250	3,250	3,250	3,250	3,225
Parks	16	16	17	18	18	23	23	23	23	25
Baseball/softball fields	47	47	48	52	52	52	52	52	52	52
Tennis courts	24	24	24	36	36	36	36	36	36	36
Soccer/Football fields	17	17	17	23	24	24	24	24	24	32
Playgrounds	12	12	12	14	14	20	20	20	21	51
Community centers	6	6	6	6	6	5	5	5	5	5
Water										
Water mains (miles)	912	924	932	939	949	941	948	963	986	1,009
Fire hydrants	6,100	6,215	6,230	6,413	6,450	6,562	6,718	6,681	9,473	9,481
Sewer										
Sanitary sewers (miles)	454	475	481	483	509	478	497	509	538	562

Sources: Various county departments.

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

FORSYTH COUNTY, GEORGIA

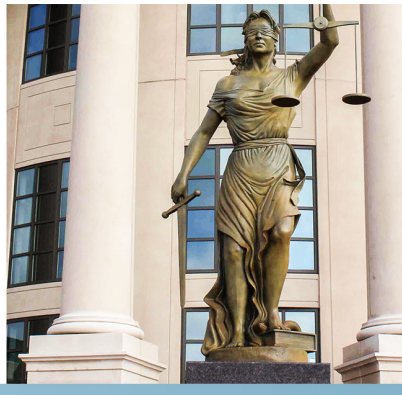
TABLE 20
WATER SYSTEM STATISTICS
Last Ten Fiscal Years

Fiscal Year	Average Daily Demand (1)	Maximum Daily Demand (1)	Water System Accounts (2)	Sewer System Accounts (2)
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
2015	12.83	21.09	54,951	27,201
2016	15.21	24.17	57,419	29,136

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

(2) Number at year end.





2016 COMPREHENSIVE

ANNUAL FINANCIAL REPORT

SINGLE AUDIT SECTION

2016 COMPREHENSIVE
ANNUAL FINANCIAL REPORT

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 the 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, 2016, 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 21, 2017. 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.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

Forsyth County, Georgia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and management's corrective action. 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 21, 2017

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-003, that was consider to be a material weakness.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 21, 2017

FORSYTH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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	2015-DJ-BX-0368	$ 3,331
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0201	16,833
Passed through the Criminal Justice Coordinating Council:			
VOCA Victims Assistance Grant (Sheriff)	16.575	C12-8-209	55,626
VOCA Victims Assistance Grant (District Attorney)	16.575	C15-8-066	77,745
VOCA Victims Assistance Grant (Sheriff)	16.575	C15-8-271	17,075
VOCA Victims Assistance Grant (District Attorney)	16.575	C16-8-001	29,302
			179,748
Equitable Sharing Program	16.922	GA-0580000	574,359
Total U.S. Department of Justice			774,271
U.S.DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	T005558	102,610
Formula Grants for Other than Urbanized Areas	20.509	T005833	82,689
			185,299
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Grant	20.205	12639	188,913
Passed through the Governor's Office of Highway Safety:			
Highway Enforcement Aggressive Traffic (H.E.A.T.)	20.600	GA-2015-58-00346	27,584
Total U.S. Department of Transportation			401,796
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	16,343
Special Programs for the Aging: Title III, Part C	93.045	427-93-07070254-99	179,501
Nutrition Services Incentive	93.053	427-93-07070254-99	26,372
Total Aging Cluster			222,216
Passed through the Legacy Link, Inc:			
Social Services Block Grant	93.667	427-93-07070254-99	18,202
Passed through Deanna, Inc:			
Congregate Meal Transportation	93.558	427-93-07070254-99	86,671
Total U.S. Department of Health and Human Services			327,089
U.S. DEPARTMENT OF DEFENSE			
Passed through the Office of the State Treasurer of Georgia:			
Payments in Lieu of Taxes - Flood Lands	12.112	2016	283,018
Total U.S. Department of Defense			283,018
U.S. DEPARTMENT OF THE INTERIOR			
Payments in Lieu of Taxes	15.226	2016	49,326
Total U.S. Department of the Interior			49,326
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	OEM15-060	26,326
Emergency Management Performance Grant	97.042	OEM16-060	26,326
			52,652
Total U.S. Department of Homeland Security			52,652
Total Expenditures of Federal Awards			$ 1,888,152

See accompanying notes to schedule of expenditures of federal awards.

FORSYTH COUNTY, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

(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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The County did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	__X__ yes ____ no
Significant deficiencies identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__X__ yes ____ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
12.112	Payments in Lieu of Real Estate Taxes (Flood Control Lands)
16.922	Equitable Sharing Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ yes __X__ no

FORSYTH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2016-001 Reporting of Prior Year Balances

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

Condition: Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended December 31, 2015.

Context/Cause: During our audit for the year ended December 31, 2016, material misstatements were identified by management that caused the need to restate opening net position (equity) for the year ended December 31, 2016 for the County's Water & Sewerage Authority. The restatement pertains to prepaid sewer capacity that was improperly recognized as revenue when the cash was collected. As an exchange transaction, the revenue should only have been recognized when earned and in the interim, the amount should have been carried on the statement of net position as an unearned revenue.

Effects: As a result of the issue noted above, the total restatement to the beginning net position of the Water & Sewerage Authority and business-type activities was $2,164,670.

Recommendation: We recommend the County carefully review the financial statements and the applicable reporting requirements under generally accepted accounting principles (GAAP) to ensure that all information and financial data is being properly reported. Additionally, as it pertains to this specific transaction cycle, we recommend the County implement internal controls to ensure the completeness of its listing of developers who have purchased prepaid sewer capacity from the County. These controls should focus on capturing these agreements when entered into and policies/procedures to track the balance of unearned revenue over the course of the agreement until the County has fulfilled all of its obligations and thus can recognize the revenue when earned.

Auditee's Response: We concur with the finding. We will implement policies and procedures to ensure the financial statements properly present the financial position and results of operations of the County.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2016-002 Accounts Payable and Related Balances

Criteria: Internal controls should be in place to ensure the financial statements include expenses and the results of operations for the County for the period the financial statements have been issued to cover.

Condition: A material misstatement was detected in the reporting of the County's accounts payable and related capital assets balances for the year ended December 31, 2016.

Context/Cause: During our audit for the year ended December 31, 2016, a material misstatement was identified in the Water & Sewerage Authority. An invoice from a contractor on one of the capital projects in progress was improperly accrued as accounts payable at year-end when in fact the invoice applied to a subsequent period and should not have been reflected in the financial statements as of and for the year ended December 31, 2016.

Effects: As a result of the issue noted above, an audit adjustment in the amount of approximately $792,000 was required to reduce the overstated construction costs for the period under audit.

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

Auditee's Response: We concur with the finding. We will take the necessary steps in the future to ensure that items are properly reported in accordance with GAAP.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2016-003 Procurement Requirements for Federally Funded Projects – U.S. Department of Justice (CFDA #16.922)

Criteria: Internal controls should be in place to ensure that every contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Local governments should use procurement procedures that conform to applicable Federal law and regulations and standards identified in the Uniform Guidance. The Uniform Guidance states that non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

Condition and Context: During our testing of procurement, suspension, and debarment for covered transactions, we noted a department of the County (Forsyth County Sheriff) was not aware of the requirement regarding testing of certain vendors for inclusion on the federal suspended or debarred list. For the current year, the Sheriff's Office entered into two (2) covered transactions totaling approximately $497,000.

Cause: The Sheriff's Office was not aware of the requirement and therefore did not test the project vendor prior to awarding the contract; however, during our testing of all covered transactions, there were no parties noted on the excluded parties listing.

Effects: Not performing a verification check for covered transactions, by checking the Excluded Parties List System (EPLS), collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor could result in federal funds being used to pay a vendor who has been suspended or debarred.

Questioned Costs: None

Recommendation: We recommend the County take necessary steps in the future to ensure there is a verification check for covered transactions, by checking the EPLS, collecting a certification from the vendor, or adding a clause or condition to the contract with a vendor prior to paying any federal funds to a particular entity.

Auditee's Response: We concur with the finding. We will establish controls in the future to ensure there is a verification check for covered transactions prior to paying any federal funds to a particular entity.

FORSYTH COUNTY, GEORGIA

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

2015-001 Reporting of Beginning Equity Balances

Condition: Internal controls were not sufficient to detect misstatements in the beginning fund balance/net position of several of the County's funds due to improper adjustments that were posted directly to the accounts during the year.

Status: This issue was corrected during the current fiscal year.

FORSYTH COUNTY, GEORGIA

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2016

2016-001 Reporting of Prior Year Balances

Name of the Contact Person Responsible for the Corrective Action Plan: Dave Gruen, Chief Financial Officer.

Corrective Action Plan: The Finance Director will work with the County's Water and Sewer Management to implement internal controls to ensure the completeness of its listing of developers who have purchased prepaid sewer capacity from the County. These controls will focus on capturing these agreements when entered into and policies with procedures to track the balance of unearned revenue over the course of the agreement until the County has fulfilled its obligations and thus can recognize the revenue when earned.

Anticipated Completion Date: In place

2016-002 Accounts Payable and Related Balances

Name of the Contact Person Responsible for the Corrective Action Plan: Dave Gruen, Chief Financial Officer.

Corrective Action Plan: The Finance Director and the Accounting Manager will ensure that the applicable reporting requirements under generally accepted accounting principles (GAAP) are followed by reviewing carefully that all information and financial data is being properly reported in the correct accounting period.

Anticipated Completion Date: In place

2016-003 Procurement Requirements for Federally Funded Projects

Name of the Contact Person Responsible for the Corrective Action Plan: Dave Gruen, Chief Financial Officer.

Corrective Action Plan: The Chief Financial Officer, Finance Director and the Accounting Manager met with the County Sheriff Office. The necessary steps have been taken by the current Sheriff to ensure that there is a verification check for covered transactions, and a procedures put into place to use the County's procurement policy and procedures that requires checking the EPLS.

Anticipated Completion Date: In place